



2009

Interim Report

Come Sure

Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 00794



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Corporate Information

Executive directors

Mr. CHONG Kam Chau (*Chairman and President*)
Mr. CHONG Wa Pan (*Managing Director*)
Mr. YIU Ho Chi Stephen (*Chief Financial Officer*)
Mr. CHONG Wa Ching
Mr. CHONG Wa Lam

Independent non-executive directors

Mr. CHAU On Ta Yuen
Ms. TSUI Pui Man
Mr. LAW Tze Lun

Legal advisers to the Company

As to Hong Kong law:

Loong & Yeung Solicitors
Suites 2201-2203, 22nd Floor
Jardine House
1 Connaught Place
Central
Hong Kong

As to Cayman Islands law:

Appleby
8th Floor, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

As to PRC law:

Shu Jin Law Firm
24th Floor, Aerospace Skyscraper
4019 Shennan Road
Futian District
Shenzhen, PRC

Auditor

RSM Nelson Wheeler
29th Floor, Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

Property valuers

Grant Sherman Appraisal Limited
Room 1701, 17th Floor
Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

Registered office

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Head office and principal place of business in Hong Kong

Units 8-10, 8th Floor
Cornell Centre
50 Wing Tai Road
Chai Wan
Hong Kong

Company website address

www.comesure.com

Company secretary

Mr. YIU Ho Chi Stephen *CISA, CPA*

Compliance adviser

Kingsway Capital Limited
5th Floor, Hutchison House
10 Harcourt Road
Central, Hong Kong

Authorised representatives

Mr. YIU Ho Chi Stephen *CISA, CPA*
Mr. CHONG Wa Ching

Corporate Information

Authorised person to accept service of process and notice under Part XI of the Companies Ordinance

Mr. YIU Ho Chi Stephen *CISA, CPA*

DBS Bank (Hong Kong) Limited
16th Floor, The Centre
99 Queen's Road Central
Hong Kong

Members of audit committee

Mr. LAW Tze Lun (*Chairman*)

Mr. CHAU On Ta Yuen

Ms. TSUI Pui Man

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

Members of remuneration committee

Ms. TSUI Pui Man (*Chairman*)

Mr. CHAU On Ta Yuen

Mr. LAW Tze Lun

Mr. CHONG Wa Pan

Principal share registrar and transfer agent

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Members of nomination committee

Ms. TSUI Pui Man (*Chairman*)

Mr. CHAU On Ta Yuen

Mr. LAW Tze Lun

Mr. CHONG Wa Pan

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Principal bankers

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4-4A Dex Voeux Road
Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Central
Hong Kong

Management Discussion and Analysis

Business Review

Enduring effects of the global financial crisis are still affecting the business environment of paper packaging industry. Weak consumer confidence in the European and US markets and dwarfed selling price of products have challenged the export market. During the period under review, export sales revenue of the Group was down by approximately 52%. However, by implementing appropriate strategies to sustain business of the Group, the experienced management team has ensured that the Group is ready to move forward in the challenging environment.

Seeing a robust economy in China, the Group has decided since 2008 to make the PRC market its core growth driver. During the period under review, the Group continued to step up development of the market by targeting well-known brand names. Sales to the PRC market recorded an approximately 16% growth in volume and the portion of sales revenue from the PRC market to the Group's total revenue also increased, to approximately 47%, from 35% in the last corresponding period.

Seeing a high margin market in Hong Kong, the Group set up a new sales team in 2008 to help it capture the potential growth in the market. During the period under review, the results were encouraging. The volume of direct export sales to Hong Kong grew by more than 40% and, in terms of revenue, a more than 25% growth was recorded as compared with the last corresponding period.

Internally, the Group was able to control raw materials costs effectively through prudent inventory and procurement management. Raw material costs decreased by approximately 41% whereas sales revenue was down by approximately 38%, meaning the Group was able to minimize the adverse effects from the challenging environment.

Through prudent financial management, the Group optimised liquidity and its financial resources as reflected in its improved gearing ratio as at the period ended 30 September 2009. Tightened credit control management also helped the Group reduce potential credit risks and bad debts rate to near zero during the period under review.

The challenging business environment is a time to oust the weak. The Group was able to survive and consolidate its market position and secure sufficient resources to capture future development potential.

For the six months period ended	30 September 2009		30 September 2008	
	HKD'000	(%)	HKD'000	(%)
Domestic delivery export	117,622	48.2	246,427	62.8
PRC domestic sales	114,129	46.8	136,046	34.7
Direct export sales to Hong Kong	12,159	5.0	9,710	2.5
Total sales	243,910	100.0	392,183	100.0
Gross profit ratio		17.4		20.2
Net profit ratio		9.5		9.7

Management Discussion and Analysis

Revenue

During the period under review, sales revenue of the Group amounted to approximately HK\$243.9 million, down by approximately 37.8% from approximately HK\$392.2 million for the six months period ended 30 September 2008. The decrease was mainly from decreased demand for consumer products and in turn, paper-packing products in the European and US markets and the approximately 20.7% drop in average selling price of the Group's products in the review period against the same period in 2008. The Group's revenue from domestic delivery exports sales was approximately HK\$117.6 million for the period, an approximately 52.3% drop from approximately HK\$246.4 million in the last corresponding period.

To cope with the global economic downturn, the Group continued to develop the PRC market. Such efforts resulted in an increase in sales volume by approximately 16.2% when compared with the same period in 2008. Sales in the market accounted for approximately 46.8% (2008: approximately 34.7%) of the Group's total revenue. However, the growth in sales volume was offset by the decline of average selling price of the Group's products during the period under review. Thus, overall, the Group's revenue from domestic sales was HK\$114.1 million, down by approximately 16.1% from approximately HK\$136.0 million for the same period in 2008.

As stated in the last annual report, the Group is determined to grow the paper-based packaging products market in Hong Kong. This direction brought encouraging results in the period under review. Despite the decrease in average selling price of its products, the Group managed to increase revenue from direct export sales to Hong Kong to approximately HK\$12.2 million, up by approximately 25.8% from approximately HK\$ 9.7 million for the same period last year, representing approximately 5.0% (2008: 2.5%) of the Group's total sales revenue. The Directors believe that the Hong Kong market will continue to develop and present the Group with a commendable income steam with an impressive profit margin.

Gross Profit

As mentioned above, the slack European and US markets have adversely affected the Group's sales revenue. However, the factory overhead remained relatively stable by its nature. To mitigate the impact from the adverse market, the Group continued to step up control of raw material costs by tightening management of inventory and procurement. During the period under review, the Group's raw material costs decreased by approximately 41.2% compared with the last corresponding period, a percentage higher than the approximately 37.8% drop in sales revenue. As a result, gross profit margin of the Group only declined by approximately 2.8% to approximately 17.4% from approximately 20.2% in the same period last year.

Selling and Distribution Expenses and Administrative Expenses

The Group's selling and distribution expenses decreased by approximately 28.0% from approximately HK\$13.2 million in 2008 to approximately HK\$9.5 million in 2009. The decrease was mainly caused by the decrease of PRC domestic delivery expense which was charged against the sales amount.

The administrative expenses for the Group slightly decreased by approximately 5.6% from approximately HK\$23.4 million in 2008 to approximately HK\$22.1 million in 2009. It was mainly attributed to the decrease of staff cost and an exchange gain during the period under review.

Other Operating Expenses

The other operating expenses in 2009 represented approximately HK\$39,000 for bad debt written off and there was approximately HK\$143,000 for loss on disposal of property, plant and equipment in 2008.

Management Discussion and Analysis

Financial Cost

The Group's financial cost significantly decreased by approximately 73.9% from approximately HK\$2.3 million in 2008 to approximately HK\$0.6 million in 2009. The decrease was mainly due to decrease of average bank borrowing for the period under review.

Working Capital

	Turnover days	
	30 September 2009	31 March 2009
Trade receivables	77	75
Trade payables	28	34
Inventories	52	47

As at 30 September 2009, the trade receivables were approximately HK\$117.0 million, increased by approximately 31.5% as compared to approximately HK\$ 89.0 million as at 31 March 2009. The trade receivable turnover days were 77 days for the six month period ended 30 September 2009 and it remained stable as compared to 75 days for the year ended 31 March 2009. The Group continued to manage its credit risk by closely monitoring the credit worthiness and past collection history of its customers.

The trade payables were approximately HK\$37.2 million as at 30 September 2009, increased by approximately 47.6% as compared to approximately HK\$25.2 million as at 31 March 2009. The trade payables turnover days were 28 days for the six months period ended 30 September 2009 as compared to 34 days for the year ended 31 March 2009. The increase of the period ended balances was mainly due to the Group's expectation on the increase of the raw paper price and increase of the purchase of raw paper before the period end.

The inventories of the Group carried a total worth of approximately HK\$63.3 million as at 30 September 2009, increased by approximately 24.4% as compared to approximately HK\$50.9 million as at 31 March 2009. The inventories turnover days increased by 5 days accordingly from 47 days for the year ended 31 March 2009 to 52 days for the six months period ended 30 September 2009. As stated above, the increase of inventories was mainly attributable to the Group's aim to stock up the inventories at the period ended to shield itself from the expected increase in raw paper price.

Management Discussion and Analysis

Liquidity and Financial Resources

	30 September 2009	31 March 2009
Current ratio	3.1	3.2
Gearing ratio	7.2%	10.2%

As at 30 September 2009, the Group's total cash and cash equivalents amounted to approximately HK\$128.9 million, which were mostly denominated in Hong Kong dollars and Renminbi, excluding approximately HK\$31.4 million pledged deposit (31 March 2009: approximately HK\$112.5 million). The increase was mainly contributed by the cash inflow from operating activities amounted to approximately HK\$7.9 million, cash received by disposal of subsidiaries amounted to approximately HK\$13.0 million, decrease of pledged deposit amounted to approximately HK\$8.2 million, and partly offset by the net repayment of bank borrowings of approximately HK\$11.3 million. And the Group did not make any material investments during the period under review.

As at 30 September 2009, current assets held by the Group were approximately HK\$350.7 million as compared to approximately HK\$298.4 million as at 31 March 2009, and the current liabilities as at 30 September 2009 stood at approximately HK\$112.3 million versus approximately HK\$92.4 million as at 31 March 2009. The current ratio (measured by current assets divided by current liabilities) decreased from 3.2 as at 31 March 2009 to 3.1 as at 30 September 2009, and it was mainly due to the final dividend payable for the last year ended 31 March 2009 of HK\$12.9 million as at the period ended date.

To optimize the capital structure, the Group reduced its bank borrowings, which were mostly denominated in Hong Kong dollars and US dollars, from approximately HK\$45.5 million as at 31 March 2009 to approximately HK\$34.2 million as at 30 September 2009. The gearing ratio (total bank borrowings divided by total assets) improved from 10.2% as at 31 March 2009 to 7.2% as at 30 September 2009.

Foreign Exchange Risk

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities are dominated in currencies other than the functional currency of respective Group entities. To mitigate the exchange risk between HK\$ and RMB, the Group will increase the PRC domestic market sales to match with the Group's PRC subsidiaries operation expenses. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will continue to monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

Charge of Assets

As at 30 September 2009, the Group has pledged certain assets of its subsidiaries, including bank deposits and prepaid land lease payment with an aggregate net book value of HK\$32.9 million (31 March 2009: HK\$41.1 million) to secure banking and financial guarantee facilities to those subsidiaries.

Capital Commitment and Contingent Liabilities

As at 30 September 2009, the Group's capital expenditure contracted but not provided for regarding to the new plant in Huizhou was approximately HK\$8.2 million (31 March 2009: HK\$0.4 million).

As at 30 September 2009, the Group had no significant contingent liabilities (31 March 2009: nil).

Management Discussion and Analysis

Significant Investment, Acquisition and Disposal

There was no significant investment held by the Group as at 30 September 2009.

During the period under review, Bright Leader Holdings Limited, an indirect wholly-owned subsidiary of the Company, was disposed of at a total consideration of HK\$15,333,054 to April Lion King Limited which is wholly owned by a Director. For further details, please refer to the Company's announcement dated 19 August 2009 and circular dated 9 September 2009.

Employees and Remuneration

As at 30 September 2009, the Group and the processing factory employed approximately 850 employees (31 March 2009: approximately 880). The Group offered competitive remuneration package to employees. Salaries are reviewed on annual basis with reference to individual performance appraisals and prevailing market condition.

Material Event Since the End of Financial Period

Except for the disposal of subsidiaries disclosed in note (16) to the condensed financial statements and above, there has been no material event affecting the Group since 31 March 2009, the date of which the latest published audited consolidated financial statements of the Group were made up.

Prospect

Focusing on the PRC market continues to be our core business strategy. According to the recent findings of the Department of Macroeconomic Research at Development Research Centre of the State Council, China's GDP growth in the fourth quarter of the year is expected to exceed 10% and the annual GDP growth is expected to reach 8.5%, indicating that domestic consumption will continue to increase. This trend will be translated into growth in demand for paper-based packaging products. The Group will keep up efforts in capturing the immense potential of the PRC market.

On 15 May 2009, we laid the foundation of our new production plant in Huidong ("Come Sure Huizhou"). Construction of the plant has been smooth and is expected to be completed for production to begin by the end of 2010. By then, our production capacity for corrugated paper board and carton will increase by 35% and 40% respectively, which will allow the Group to capture booming local demand in Huizhou and Chaoshan.

The existing production plants in Shenzhen will continue to serve customers in Baoan and Dongguan area. After the review period, the Group purchased a new Computer to Plate Processor, one six-colour (larger format) KBA offset printing press from Germany and one high resolution flexo printing press that employ the latest technology to enhance the offset and flexo printing workflow and the Group's capabilities to serve customers demanding high quality products. With a well-developed business network and strong reputation in Baoan and Dongguan, the production plants in Shenzhen will continue to contribute stable incomes to the Group.

The PRC market currently accounts for approximately 47% of total sales revenue of the Group and is expected to bring in growing contribution in the future. With the US and European markets starting to recover in the second half of 2009, the Group will closely monitor the export market and strive for better performance. The Group will also invest adequately in new technologies, research and development and environmental protection to ensure that it can meet latest market demand, customers' needs, and environmental protection regulations in all its markets. Related investment will also enable the Group to target high value-added product markets.

Last but not least, the Group believe that a diverse market base is essential for the Group to grow its business, thus the Group will actively explore investment opportunities and mergers and acquisitions in different potential markets.

Corporate Governance and Other Information

Directors' and Chief Executive's Interests and Short Positions in Shares

At 30 September 2009, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the SFO or Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions in the shares

Name	Capacity/Nature	Number of Shares	Percentage of issued Shares
Mr. CHONG Kam Chau (Notes 1 & 2)	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	210,000,000	75.00%
Mr. CHONG Wa Pan (Notes 1 & 3)	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. CHONG Wa Ching (Notes 1 & 3)	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. CHONG Wa Lam (Notes 1 & 3)	Beneficiary of a discretionary trust	210,000,000	75.00%

Long positions in the ordinary shares of associated corporation

Name	Name of associated corporation	Capacity/Nature	Number of securities	Percentage shareholding
Mr. CHONG Kam Chau (Notes 1 & 2)	Perfect Group Version Limited	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. CHONG Wa Pan (Notes 1 & 3)	Perfect Group Version Limited	Beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. CHONG Wa Ching (Notes 1 & 3)	Perfect Group Version Limited	Beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. CHONG Wa Lam (Notes 1 & 3)	Perfect Group Version Limited	Beneficiary of a discretionary trust	10,000 ordinary shares	100%

Corporate Governance and Other Information

Directors' and Chief Executive's Interests and Short Positions in Shares (Continued)

Notes:

1. The entire issued shares of Perfect Group Version Limited are held by Jade City Assets Limited, which is in turn held by HSBC International Trustee Limited acting as the trustee of the CHONG Family Trust. The CHONG Family Trust is an irrevocable discretionary trust set up by Mr. CHONG Kam Chau as settlor and HSBC International Trustee Limited as trustee on 2 February 2009. The beneficiaries of the CHONG Family Trust include Mr. CHONG Kam Chau, Ms. CHAN Po Ting, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam and the issues of Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam.
2. Mr. CHONG Kam Chau is the founder, an executive director, President of the Group and the Chairman of the Board. Mr. CHONG Kam Chau is the sole director of Perfect Group Version Limited and therefore Mr. CHONG Kam Chau is deemed or taken to be interested in the entire issued shares of Perfect Group Version Limited and the 210,000,000 Shares beneficially owned by Perfect Group Version Limited for the purposes of the SFO. Mr. CHONG Kam Chau as, the settlor and a beneficiary of the CHONG Family Trust is also deemed or taken to be interested in the 210,000,000 Shares held by Perfect Group Version Limited under the SFO.
3. Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam, as executive directors and beneficiaries and the issues of Mr. CHONG Wa Pan, namely, Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee as beneficiaries of the CHONG Family Trust, are deemed or taken to be interested in entire issued shares of Perfect Group Version Limited and the 210,000,000 Shares held by Perfect Group Version Limited under the SFO.

Other than the holdings disclosed above and nominee shares in certain subsidiaries held in trust for the Group, none of the Directors or chief executive, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 September 2009.

Substantial Shareholders

As at 30 September 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and the chief executive, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions in the shares

Name	Capacity/Nature	Number of Shares	Percentage of issued Shares
Perfect Group Version Limited (Note 1)	Beneficial owner	210,000,000	75.00%
Jade City Assets Limited (Note 2)	Interest of controlled corporation	210,000,000	75.00%
HSBC International Trustee Limited (Note 2)	Trustee	210,000,000	75.00%
Ms. CHAN Po Ting (Note 3)	Family interests; Beneficiary of a discretionary trust	210,000,000	75.00%
Ms. HUNG Shan Shan (Note 4)	Family interests	210,000,000	75.00%
Mr. CHONG Kam Hung (Note 1)	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. CHONG Kam Shing (Note 1)	Beneficiary of a discretionary trust	210,000,000	75.00%
Ms. CHONG Sum Yee (Note 1)	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. ZHANG Cheng Fei	Beneficial owner	14,000,000	5.00%

Corporate Governance and Other Information

Substantial Shareholders (Continued)

Long positions in the shares (Continued)

Notes:

1. The entire issued shares of Perfect Group Version Limited are held by Jade City Assets Limited, which is in turn held by HSBC International Trustee Limited acting as the trustee of the CHONG Family Trust. The CHONG Family Trust is an irrevocable discretionary trust set up by Mr. CHONG Kam Chau as settlor and HSBC International Trustee Limited as trustee on 2 February 2009. The beneficiaries of the CHONG Family Trust include Mr. CHONG Kam Chau, Ms. CHAN Po Ting, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam and the issues of Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam. Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee are issues of Mr. CHONG Wa Pan.
2. Such Shares are held by Perfect Group Version Limited, the entire issued shares of which are held by Jade City Assets Limited. The entire issued capital of Jade City Assets Limited is held by HSBC International Trustee Limited acting as the trustee of the CHONG Family Trust.
3. Ms. CHAN Po Ting, the spouse of Mr. CHONG Kam Chau, is deemed or taken to be interested in the interests held by Mr. CHONG Kam Chau under the SFO. Ms. CHAN Po Ting is also one of the beneficiaries of the CHONG Family Trust.
4. Ms. HUNG Shan Shan, is the spouse of Mr. CHONG Wa Pan and is deemed or taken to be interested in the interests held by Mr. CHONG Wa Pan under the SFO.

Purchase, Sales or Redemption of Company's Listed Securities

During the six months ended 30 September 2009, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

The Board is committed to maintain an appropriate corporate governance practices to enhance the accountability and transparency in order to protect the shareholders' interests and to ensure that the Company complies with the latest statutory requirements and professional standards.

The Company has complied with most of the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices (the "Code") of Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") to the Listing Rules during the six months ended 30 September 2009, except for the deviation from the Code A.2.1 as described below.

Mr. Chong Kam Chau is the Chairman and Mr. Chong Wa Pan is the Managing Director of the Company. The Chairman is responsible for providing leadership for the Board in strategic planning and overall development of the Group and ensured the Board to run effectively, and the Managing Director is responsible for the overall management of the Group and the implementation of the corporate goals and objectives resolved by the Board.

The Board considers that the responsibilities of Chairman and Managing Director are clearly divided, so no written terms of division of responsibilities is necessary. This constitutes a deviation from Code A.2.1 which stipulates that the division responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

Corporate Governance and Other Information

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the standard for securities transactions by the Directors.

All the members of the Board have confirmed, following specific enquiries by the Company, that they had complied with the required standards set out in the Model Code and the code of conduct regarding securities transactions by the Directors throughout the six month ended 30 September 2009.

Audit Committee

The main duties of the Audit Committee are to consider the relationship of external auditors, to review the financial statements of the Group, and to oversee the Group's financial reporting system and internal control procedures. The Audit Committee consists of three independent non-executive directors, namely Mr. Law Tze Lun, the Chairman of the Audit Committee, Mr. Chau On Tat Yuen and Ms. Tsui Pui Man.

The Audit Committee has reviewed with the management this interim report and the unaudited consolidated financial statements for the six months ended 30 September 2009, the accounting principles and practices adopted by the Group and discussed the relevant auditing, internal controls and financial reporting matters.

Condensed Consolidated Income Statement

For the six months ended 30 September 2009

	Note	Six months ended 30 September	
		2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Turnover	4	243,910	392,183
Cost of goods sold		(201,520)	(312,799)
Gross profit		42,390	79,384
Other income	5	459	1,081
Selling expenses		(9,519)	(13,178)
Administrative expenses		(22,098)	(23,442)
Other operating expenses		(39)	(143)
Profit from operations		11,193	43,702
Finance costs	6	(585)	(2,255)
Gain on disposal of subsidiaries		14,758	–
Profit before tax		25,366	41,447
Income tax expenses	7	(2,135)	(3,564)
Profit for the period	8	23,231	37,883
Attributable to:			
Owners of the Company		23,231	37,883
Minority interests		–	–
		23,231	37,883
Earnings per share			
Basic	9	8.30 cents	17.99 cents
Diluted	9	N/A	N/A
Dividends	10	–	–

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2009

	Note	Six months ended 30 September	
		2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Profit for the period		23,231	37,883
Other comprehensive income:			
Exchange differences on translating foreign operations		331	10,080
Total comprehensive income for the period		23,562	47,963
Attributable to:			
Owners of the Company		23,562	47,963
Minority interests		-	-
		23,562	47,963

Condensed Consolidated Statement of Financial Position

At 30 September 2009

	Note	30 September 2009 HK\$'000 (unaudited)	31 March 2009 HK\$'000 (audited)
Non-current assets			
Prepaid land lease payments		28,381	31,018
Property, plant and equipment	11	94,493	115,113
Investment properties		420	420
Club membership		366	366
		123,660	146,917
Current assets			
Inventories		63,335	50,881
Trade receivables	12	117,039	88,955
Prepayments, deposits and other receivables		9,441	5,334
Prepaid land lease payments		20	220
Current tax assets		594	932
Pledged bank deposits		31,403	39,610
Bank and cash balances		128,875	112,461
		350,707	298,393
Current liabilities			
Trade payables	13	37,187	25,154
Accruals and other payables		29,762	24,680
Short-term bank borrowings		30,347	37,075
Current tax liabilities		–	351
Current portion of long term borrowings	14	2,125	5,185
Dividend payable		12,880	–
		112,301	92,445
Net current assets		238,406	205,948
Total assets less current liabilities		362,066	352,865
Non-current liabilities			
Deferred tax liabilities		2,285	2,285
Long term borrowings	14	1,770	3,251
		4,055	5,536
NET ASSETS		358,011	347,329
Capital and reserves			
Share capital	15	2,800	2,800
Reserves		355,211	344,529
TOTAL EQUITY		358,011	347,329

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2009

(unaudited)

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Foreign currency translation HK\$'000	Statutory reserves HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 April 2008	–	21,256	105,309	28,486	18,045	69,531	242,627
Total comprehensive income for the period	–	–	–	10,080	–	37,883	47,963
At 30 September 2008	–	21,256	105,309	38,566	18,045	107,308	290,590
At 1 April 2009	2,800	83,812	105,309	35,311	18,045	102,052	347,329
Total comprehensive income for the period	–	–	–	331	–	23,231	23,562
Dividend paid	–	–	–	–	–	(12,880)	(12,880)
Changes in equity for the period	–	–	–	331	–	10,351	10,682
At 30 September 2009	2,800	83,812	105,309	35,642	18,045	112,403	358,011

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2009

	Six months ended 30 September	
	2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,925	13,602
Purchase of property, plant and equipment	(636)	(5,102)
Addition of prepaid land lease payments	(23)	(26,268)
Proceeds from disposals of subsidiaries	13,035	–
Proceeds from disposals of property, plant and equipment	–	249
Increase/(Decrease) in pledged bank deposits	8,207	(1,537)
NET CASH USED IN INVESTING ACTIVITIES	20,583	(32,658)
Repayment of trust receipts loans, net	6,324	(10,798)
Bank loan raised	5,000	35,000
Advance from a shareholder	–	27,819
Repayment of bank loans	(22,592)	(2,947)
Dividends paid	–	(40,000)
Interest paid	(585)	(2,255)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(11,853)	6,819
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	16,655	(12,237)
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	(241)	6,697
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	112,461	55,937
CASH AND CASH EQUIVALENTS AT END OF PERIOD	128,875	50,397
Bank and cash balances	128,875	50,397

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

1. General Information

The Company was incorporated on 10 March 2006 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is Units 8-10, 8/F Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong.

This condensed consolidated interim financial information has been approved by the Board on 18 December 2009.

2. Basis of Preparation

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2009 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2009 except as stated below.

3. Adoption of New and Revised Hong Kong Financial Reporting Standards

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2009. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years except as stated below.

(a) Presentation of Financial Statements

HKAS1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. These presentation requirements have been applied retrospectively in these condensed financial statements.

(b) Operating Segments

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving as the starting point for the identification of such segments. HKFRS 8 results in a redesignation of the Group's reportable segments, but has had no impact on the reported results or financial position of the Group. The primary segments reported under HKAS 14 are the same as the segments reported under HKFRS 8. HKFRS 8 has been applied retrospectively.

The segment accounting policies under HKFRS 8 are stated in note 4 to the condensed financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

4. Turnover and Segmental Information

Segmental information

The chief operating decision makers have been identified as the executive directors of the Company ("the Executives Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group's business principally located in PRC, which comprises corrugated products and offset printed corrugated products.

The Group's operations are mainly organised under segments of manufactures and sales of corrugated products and offset printed corrugated products.

The segment information is as follows:

For the six months ended 30 September 2009 (unaudited)

	Corrugated Products HK\$'000	Offset printed corrugated products HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue				
External sales	212,395	31,515	0	243,910
Inter-segment sales	29,573	9,143	(38,716)	0
Total	241,968	40,658	(38,716)	243,910
Segment results	7,607	3,140		10,747
Interest income				446
Interest expenses				(585)
Gain on disposal of subsidiaries				14,758
Profit before tax				25,366
Income tax expenses				(2,135)
Profit for the period				23,231

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

4. Turnover and Segmental Information (Continued)

Segmental information (Continued)

For the six months ended 30 September 2008 (unaudited)

	Corrugated Products HK\$'000	Offset printed corrugated products HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue				
External sales	328,526	63,657	0	392,183
Inter-segment sales	38,994	4,412	(43,406)	0
Total	367,520	68,069	(43,406)	392,183
Segment results	35,255	7,466		42,721
Interest income				981
interest expenses				(2,255)
Profit before tax				41,447
Income tax expenses				(3,564)
Profit for the period				37,883

5. Other Income

	Six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income	446	981
Reversal of allowance for bad and doubtful debts	–	17
Rental income	–	1
Sundry income	13	82
	459	1,081

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

6. Finance Costs

	Six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	585	2,255

7. Income Tax Expenses

	Six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
Current tax	–	314
Under provision in previous years	442	–
PRC enterprise income tax (“EIT”)		
Current tax	1,693	2,650
Deferred tax	–	600
	2,135	3,564

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit. Tax charge on profits assessable in other jurisdictions has been calculated at the rates of tax prevailing in the relevant jurisdictions.

The mode of manufacturing operations of Wah Ming International Limited (“Wah Ming”) is within the scope of the Departmental Interpretation Practice Note No. 21 issued by the Inland Revenue Department of Hong Kong, that Wah Ming conducted its manufacturing operations by entering into processing arrangements with the processing factory in the PRC and hence 50% of the adjusted profits were treated as offshore and not taxable in Hong Kong.

A portion of the Group’s profits for the year are earned by the Macao subsidiaries of the Group incorporated under the Macao SAR’s Offshore Law. Pursuant to the Macao SAR’s Offshore Law, such portion of profits are exempted from Macao complimentary tax. Further, in the opinion of the Directors, that portion of the Group’s profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

On 16 March 2007, the new PRC enterprise income tax law passed by the Tenth National People’s Congress introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law became effective on 1 January 2008. The enterprise income tax reduction for ‘Export Oriented Enterprise’ is no longer provided in the new EIT Law. Pursuant to “Notice on Corporate Income Tax Transitional Arrangement” issued by the PRC State Council on 26 December 2007, enterprises entitled to lower tax rates under the old law will be given a five-year grace period before they are required to pay the statutory rate. Accordingly, subject to Shenzhen tax bureau final approval, the applicable enterprise income tax rate for Come Sure Packing Products (Shenzhen) Company Limited (“Come Sure Shenzhen”) would be 18% in calendar year 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% for 2012 onwards.

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

8. Profit for the Period

	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditors' remuneration	424	202
Cost of inventories sold	201,520	312,799
Depreciation	12,413	12,466
Operating lease charges in respect of land and buildings	5,989	6,096
Net loss on disposal of property, plant and equipment	–	143
Gain on disposal of subsidiaries	14,758	–
Allowance/(reversal of allowance) for inventories (included in cost of inventories sold)	712	(111)
Bad debts written off	39	276
Reversal of allowance for bad and doubtful debts	–	(17)
Net foreign exchange (gain)/loss	(2,046)	569
Staff costs		
Directors' emoluments	1,550	1,609
Other staff salaries, bonus and allowances	17,947	17,504
Retirement benefits scheme contributions (excluding directors)	910	1,965
	20,407	21,078

Cost of inventories sold includes staff costs, depreciation and operating lease charges totaled approximately HK\$27,864,000 (2008: HK\$27,013,000) which are included in the amounts disclosed separately above.

9. Earnings Per Share

The calculation of basic earnings per share for the six months ended 30 September 2009 is based on the profit attributable to equity shareholders of the Company of HK\$23,231,000 and the weighted number of 280,000,000 ordinary shares.

The calculation of basic earnings per share for the six months ended 30 September 2008 is based on the profit attributable to equity shareholders of the Company of HK\$37,883,000 and the 210,000,000 ordinary shares (in issue after adjusting the capitalisation issue in February 2009), as if the shares were outstanding throughout the period ended 30 September 2008.

No diluted earnings per share are presented for the six months ended 30 September 2009 (six months ended 30 September 2008: Nil) as there were no potential dilutive ordinary shares.

10. Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2009 (six months ended 30 September 2008: Nil).

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

11. Property, Plant and Equipment

During the six months ended 30 September 2009, the Group acquired property, plant and equipment of approximately HK\$636,000.

12. Trade Receivables

Payment terms with customers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 120 days after end of the month in which the relevant sales occurred. The aging analysis of trade receivables, based on the due date, is as follows:

	As at 30 September 2009 HK\$'000 (unaudited)	As at 31 March 2009 HK\$'000 (audited)
Trade receivables:		
Undue	102,110	66,167
Overdue:		
1 to 30 days	12,280	9,176
31 to 90 days	3,467	10,500
91 to 365 days	2,364	4,985
Over 1 year	1,367	2,807
	121,588	93,635
Less: Allowances for bad and doubtful debts	(4,549)	(4,680)
	117,039	88,955

13. Trade Payables

Payment terms granted by suppliers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 90 days after end of the month in which the relevant purchase occurred.

	As at 30 September 2009 HK\$'000 (unaudited)	As at 31 March 2009 HK\$'000 (audited)
Trade payables:		
0 to 30 days	36,085	24,689
31 to 90 days	788	188
Over 90 days	314	277
	37,187	25,154

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

14. Long Term Borrowings

	As at 30 September 2009 HK\$'000 (unaudited)	As at 31 March 2009 HK\$'000 (audited)
Bank loans		
Current	2,125	5,185
Non-current	1,770	3,251
	3,895	8,436
The bank loans are repayable as follows:		
Within one year	2,125	5,185
In the second year	1,770	2,544
In the third to fifth years, inclusive	–	707
	3,895	8,436

15. Share Capital

	Number of shares	Amount HK\$
Authorised:		
Ordinary shares of HK\$0.01 each		
At 30 September 2009 and 31 March 2009	2,000,000,000	20,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 30 September 2009 and 31 March 2009	280,000,000	2,800,000

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

16. Disposal of Subsidiaries

On 25 September 2009, Bright Leader Holdings Limited, indirectly owned subsidiary of the Group, was disposed of at a total consideration of approximately HK\$15,333,000 to April Lion King Limited, wholly owned by a director.

Net assets at the date of disposal were as follows:

	HK\$'000
Prepaid land lease, plant and other receivables	13,172
Bank and cash balances	2,298
Due to a director	–
Other payables	(14,895)
Net assets disposed of	575
Gain on disposal of subsidiaries	14,758
Total consideration – satisfied by cash	15,333
Net cash inflow arising on disposal:	
Cash consideration received	15,333
Cash and cash equivalents disposed of	(2,298)
	13,035

17. Capital Commitments

The Group's Capital Commitment at the balance sheet date regarding to the property, plant and equipment are as follows:

	As at 30 September 2009 HK\$'000 (unaudited)	As at 31 March 2009 HK\$'000 (audited)
Capital expenditure contracted but not provided for	8,203	418

The Company had no significant capital commitments at 30 September 2009 (31 March 2009: Nil).

Notes to the Condensed Financial Statements

For the six months ended 30 September 2009

18. Contingent Liabilities

- (a) The Group had no significant contingent liabilities at 30 September 2009 (31 March 2009: Nil).
- (b) As at the balance sheet date, the Company has issued guarantees of approximately HK\$400 million (31 March 2009: HK\$61 million) and unlimited corporate guarantees to banks in respect of the banking facilities granted to three subsidiaries of the Group.

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the above guarantees and the maximum liability of the Company in respect of the guarantees is the amount of bank loans drawn by its subsidiaries under the guarantees at that date of approximately HK\$5,843,000 (31 March 2009: HK\$8,436,000).

19. Related Party Transactions

- (a) In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the period:

	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Rental in respect of land and buildings paid to a related company	90	90

(b) Key management compensation

	Six months ended	
	30 September	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and allowances	1,526	1,591
Retirement benefit costs	24	18