



# COME SURE

Group (Holdings) Limited

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

2015 INTERIM REPORT

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. CHONG Kam Chau (*Chairman*)  
Mr. CHONG Wa Pan (*Chief Executive Officer and President*)  
Mr. CHONG Wa Ching  
Mr. LUK Kwok Tung, Eric  
(resigned with effect from 1 October 2015)

## 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  
Suites 2001–2006, 20th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

### As to Cayman Islands law:

Appleby  
Suites 2206–19  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

### As to PRC law:

Guangdong Rongan Solicitors  
Room 704, Block 1  
Dongjiang Haoyuan  
1 Longjing Road  
Baoan District  
Shenzhen, PRC

## AUDITOR

SHINEWING (HK) CPA Limited  
43/F., Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

## VALUERS

Grant Sherman Appraisal Limited  
Unit 1005, 10/F, AXA Centre  
151 Gloucester Road  
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](http://www.comesure.com)

## COMPANY SECRETARY

Ms. NGAN Chui Wan, Judy

## AUTHORISED REPRESENTATIVES

Mr. CHONG Wa Ching  
Mr. CHONG Wa Pan  
(appointed with effect from 1 October 2015)

## AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICE UNDER PART XI OF THE COMPANIES ORDINANCE

Mr. CHONG Wa Ching

## MEMBERS OF AUDIT COMMITTEE

Mr. LAW Tze Lun (*Chairman*)  
Mr. CHAU On Ta Yuen  
Ms. TSUI Pui Man

# CORPORATE INFORMATION

## MEMBERS OF REMUNERATION COMMITTEE

Ms. TSUI Pui Man (*Chairman*)  
Mr. CHAU On Ta Yuen  
Mr. LAW Tze Lun  
Mr. CHONG Wa Pan

## MEMBERS OF NOMINATION COMMITTEE

Ms. TSUI Pui Man (*Chairman*)  
Mr. CHAU On Ta Yuen  
Mr. LAW Tze Lun  
Mr. CHONG Wa Pan

## PRINCIPAL BANKERS

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

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

Hang Seng Bank Limited  
83 Des Voeux Road Central  
Hong Kong

DBS Bank (Hong Kong) Limited  
G/F, The Centre  
99 Queen's Road Central  
Central  
Hong Kong

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Appleby Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street  
PO Box 190  
Grand Cayman  
KY1-1104  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## INVESTOR RELATION CONTACT

iRegular Consulting Limited  
RM 3603, 36/F, COSCO Tower  
183 Queen's Road Central  
Hong Kong

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY REVIEW

During the six months ended 30 September 2015 (the “**Period**”), the debt crisis in Europe had continued coupled with the rising tensions of the migrant crisis, while the US economy had been recovering at a slower pace under the monetary policy normalization, bringing possibilities of instability in the global market. Meanwhile, The People’s Republic of China (the “**PRC**” or “**China**”) has reached a stage of structural upgrade and optimization, leading to a decelerating economic growth. According to the statistics reported by Ministry of Commerce of the PRC, the total value of imports and exports during the first nine months in 2015 decreased by 7.9% to RMB17,869.8 billion, and such decrease had caused the demand of paper packaging to drop. The regional production volume reflected the actual demand changes, according to the research of a leading institution of industry research in China, the total production volume of corrugated paper boxes for the first nine months in 2015 in Guangdong Province was 2.13 million tons with a year-over-year (YoY) decrease of 2.3%, and in Jiangxi Province was 0.80 million tons with a YoY increase of 1.8%.

Unstable economy, as well as the increasingly stringent environmental protection standards implemented by the PRC government, exacerbated the overcapacity problem in the paper packaging industry in China. Hence, the price of paper packaging product dropped, and an enormous number of small-medium size companies with outdated capacities in the industry had shut down. Yet, the phasing out of outdated capacities may provide a golden opportunity to the market leaders to leverage their advantages of extensive customer network and diversified product mix. Also, driven by the altering in consumption pattern, online shopping and e-commerce developed continuously at unprecedented pace, therefore the demand of corrugated paper packaging is expected to maintain with the increased logistic needs.

## BUSINESS REVIEW

Due to the global economic fluctuations during the Period, the imports and exports volume in PRC fell, dragging down the demand of corrugated paper packaging products. Under the cautious market sentiment, the turnover of Come Sure Group (Holdings) Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) decreased by approximately 12.4% to approximately HK\$424.4 million during the Period, as compared to approximately HK\$484.2 million for the six months ended 30 September 2014. With the high value-added products developed in the recent years, as well as the constant internal cost control, the Group managed to maintain the level of gross profit margin at around 20% despite the unstable industrial environment. The Group’s gross profit margin for the Period was approximately 19.7%, slightly dropping from approximately 20.5% for the same corresponding period in 2014.

While the phasing out of the outdated capacities carried on, the small-medium enterprises in the industry which failed to satisfy the market demand shut down. The Group, as one of the market leaders with strong reputation in quality and high value-added products, is optimistic to the benefits from the industrial shakeout in the near future. In addition, rapid growth in online trading continued during the Period, hence a rising demand for the high-quality structural packaging design and high compressive strength packaging products is expected in long term. The Group has almost completed the construction of its new factory plant in Fujian, the PRC (“**Fujian Plant**”) during the Period, and has been planning for its trial production actively as preparation of its mass production. The commencement of the Fujian Plant’s mass production is believed to largely enhance the Group’s production capacity and efficiency, in order to satisfy the ever-changing market demand.

In addition to the major business operation, the Group also hedges its foreign currency risk with structured foreign currency forward contracts and diversifies its investment with equity securities. Driven by the severe volatility of the PRC’s stock market and relatively weak Renminbi (“**RMB**”) against the US dollars (“**USD**”) during the Period, significant fair value loss was recognised for both structured foreign currency forward contracts and equity securities listed in the PRC, and hence the Group recorded a net loss of approximately HK\$37.1 million for the Period as compared to a net profit of approximately HK\$25.6 million for the same period last year. The Group will keep a close eye on the economy and stock market status to react correspondingly with long term prospect, in order to maintain the strong financial position of the Group for business development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW *(Continued)*

The Group also closely monitors the development of its associate company, Xiamen Weihua Solar Limited (“**Xiamen Weihua**”), which was acquired last year. During the Period, the laboratory photoelectric conversion efficiency of perovskite (“**PVSK**”) solar cells vigorously developed by Xiamen Weihua has proven to have reached approximately 20%, while the world’s leading level is approximately 20–25%. With the high conversion efficiency maintained, Xiamen Weihua also successfully enhanced the life and stability of its solar cell. In the meantime, Xiamen Weihua had completed its equipment installations of the mid-scale pilot production line, supporting its extensive PVSK solar cell development, which is essential to its long term business development.

## RESULT OF OPERATION

	For the six months ended 30 September			
	2015		2014	
	HK\$'000	(%)	HK\$'000	(%)
PRC domestic sales	<b>275,095</b>	<b>64.8</b>	292,412	60.4
Domestic delivery export sales	<b>131,930</b>	<b>31.1</b>	173,649	35.9
Direct export sales	<b>17,388</b>	<b>4.1</b>	18,182	3.7
<b>Total Sales</b>	<b>424,413</b>	<b>100.0</b>	484,243	100.0
Gross profit margin		<b>19.7</b>		20.5
Net profit margin		<b>N/A*</b>		5.3

\* As a loss was generated in 30 September 2015, the profit margin calculation was irrelevant.

## TURNOVER

The turnover of the Group for the Period decreased by 12.4% to approximately HK\$424.4 million, from approximately HK\$484.2 million for the same corresponding period in 2014.

### Guangdong operation

During the Period, due to the decrease in import and export volume in the PRC under economic fluctuation, the demand and production volume in printed cartons and other paperwares declined accordingly. With the continuing industrial overcapacity problem, the price of the printed cartons and other paperwares was also dragged down. Despite the Group’s average selling price for printed cartons and other paperwares represented a slight increase by 3.1% for the Period, the corresponding turnover decreased to approximately HK\$367.9 million for the Period, from approximately HK\$375.3 million for the same corresponding period in 2014.

Therefore, the turnover for the Period generated from the operations in Guangdong decreased by 10.3% to approximately HK\$398.3 million as compared with approximately HK\$443.8 million for the same corresponding period in 2014. Yet, upon the phasing out of excess capacities and customers’ rising recognition on high quality packaging products including offset printed products and structural designed packaging, the Group is set to grasp the opportunity to increase its market share by leveraging its advantages as a market leader.

### Jiangxi operation

Due to the industrial restructuring and product price fluctuation during the Period, the turnover from Jiangxi Province decreased to approximately HK\$26.2 million (for the same corresponding period in 2014: approximately HK\$40.4 million).

# MANAGEMENT DISCUSSION AND ANALYSIS

## GROSS PROFIT

Despite the pricing pressure in the industry due to excess production capacities environment, the Group managed to maintain the gross profit level during the Period, with its continuous focus on quality and high value-added products as a market leader, as well as the stringent internal cost control. During the Period, the Group's gross profit margin slightly fell to approximately 19.7%, from approximately 20.5% for the same corresponding period in 2014. In line with the turnover decline during the Period, the gross profit of the Group decreased to approximately HK\$83.4 million from approximately HK\$99.2 million for the same corresponding period in 2014. In order to maintain and enhance the profit margin, the Group will continue to focus on quality and high value-added products, believing it will differentiate the Group from the competitors and provide opportunities to increase market share during the industrial shakeout.

## Guangdong operation

During the Period, operation in Shenzhen continued to contribute the most for the Group's gross profit. In line with the drop in the Group's turnover for the Period, the gross profit generated from operation in Guangdong dropped from approximately HK\$93.1 million in the same corresponding period in 2014 to approximately HK\$80.5 million, with a slight decrease in its gross profit margin to approximately 20.2% (for the same corresponding period in 2014: approximately 21.0%).

## Jiangxi operation

For the Period, the gross profit and gross profit margin of the operation in Jiangxi were approximately HK\$2.9 million and approximately 11.1% (for the same corresponding period in 2014: approximately HK\$6.1 million and approximately 15.0% respectively).

As a rising demand for high-quality paper packages is expected, the Group will further explore business opportunity in its surrounding area to promote the development of Jiangxi operation in long term.

## SELLING AND ADMINISTRATIVE EXPENSES

During the Period, the Group had constantly implemented the efficient and effective logistics management and cost control. In line with the decrease in the turnover, the Group's selling expenses dropped by 7.2% to approximately HK\$22.0 million, from approximately HK\$23.7 million for the same corresponding period in 2014. The administrative expenses was recorded as approximately HK\$55.4 million, representing a decrease of approximately 15.3% from approximately HK\$65.4 million for the same corresponding period in 2014.

## FINANCE COSTS

Finance cost mainly occurred from additional bank loans to replenish general working capital and capital expenditure. For the Period, the finance costs of the Group was approximately HK\$5.8 million, representing an increase of approximately 23.4% from approximately HK\$4.7 million for the same corresponding period in 2014.

## OTHER GAINS AND LOSSES

Other gains and losses mainly arise from fair value changes on derivative financial instruments, fair value changes on investment properties and fair value changes on held for trading investment. During the Period, other gains and losses of the Group recorded losses of approximately HK\$44.2 million (gains of approximately HK\$13.1 million for the same corresponding period in 2014), primarily attributable to the fair value loss on structured foreign currency forward contracts approximately HK\$26.7 million and the fair value loss on equity securities listed in Hong Kong and PRC approximately HK\$26.6 million, which were resulted from the economic market fluctuation during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## WORKING CAPITAL

	30 September 2015 Turnover Days	31 March 2015 Turnover Days
Trade and bills receivables	94	89
Trade and bills payables	67	68
Inventories	44	43
Cash conversion cycle*	71	64

\* Trade and bills receivables turnover days + Inventories turnover days – Trade and bills payables turnover days

The trade and bills receivables were approximately HK\$214.8 million as at 30 September 2015, which had decreased by 2.7% as compared with approximately HK\$220.7 million as at 31 March 2015. While the turnover decreased, sales resumed and increased as compared to that of July and August during the Period, after the 70th Anniversary Celebration of Victory Day in early September 2015, and hence the trade and bills receivables as at 30 September 2015 were relatively high. It also explains why the trade receivables turnover day increased to 94 days for the Period (for the year ended 31 March 2015: 89 days). The Group continued to manage the credit risks by closely monitoring the credit worthiness and the collection history of its customers.

Accordingly, the trade and bills payables were approximately HK\$123.6 million as at 30 September 2015, which had decreased by approximately 2.8% as compared with approximately HK\$127.2 million as at 31 March 2015. The trade payables turnover day for the Period was 67 days, which had slightly decreased by 1 day as that for the year ended 31 March 2015.

The inventories of the Group carried a total worth of approximately HK\$82.0 million as at 30 September 2015, which had increased by approximately 1.2% from approximately HK\$81.0 million as at 31 March 2015. The inventories turnover days slightly increased by 1 day from 43 days for the year ended 31 March 2015 to 44 days for the Period.

To summarize, the cash conversion cycle of the Group was increased to 71 days for the Period, as compared to 64 days for the year ended 31 March 2015. The Group maintained the operation efficiency and liquidity risk at soundless levels despite the market fluctuation during the Period.

## LIQUIDITY AND FINANCIAL RESOURCES

	30 September 2015	31 March 2015
Current ratio	1.0	1.1
Gear ratio	34.5%	33.5%

As at 30 September 2015, the Group's total cash and cash equivalents amounted to approximately HK\$135.9 million (as at 31 March 2015: approximately HK\$204.2 million), excluding pledged deposit and unused banking facilities of approximately HK\$152.8 million and approximately HK\$560.8 million, respectively. The principal sources of working capital of the Group remained to be the cash flow from operating activities and bank borrowings during the Period. The decrease in the cash and cash equivalent was mainly due to investment in trading securities listed in PRC during the Period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## **LIQUIDITY AND FINANCIAL RESOURCES** *(Continued)*

The current ratio (current assets divided by current liabilities) as at 30 September 2015 remained stable at 1.0 (as at 31 March 2015: 1.1). The current assets held by the Group decreased from approximately HK\$787.9 million as at 31 March 2015 to approximately HK\$724.1 million. In the meantime, current liabilities decreased from approximately HK\$719.0 million as at 31 March 2015 to approximately HK\$696.2 million as at 30 September 2015.

Total outstanding bank borrowings and other borrowings of the Group as at 30 September 2015 decreased to approximately HK\$462.7 million from approximately HK\$467.3 million as at 31 March 2015. As at 30 September 2015, bank borrowings are mainly denominated in Hong Kong dollars, and the other loans are denominated in Renminbi, while all bank borrowings of the Group carried floating interest rates and were secured, of which approximately HK\$399.7 million was repayable within one year and approximately HK\$54.5 million was repayable within two to more than five years, whereas the other loans of approximately HK\$8.5 million carried a fixed interest of 5% and were unsecured and repayable within one year.

The gearing ratio (total borrowings divided by total assets) remained stable from approximately 33.5% as at 31 March 2015 to approximately 34.5% as at 30 September 2015. The Group maintained sufficient bank and cash balances to repay all its borrowings as at 30 September 2015. The Group keeps maintaining a sound liquidity position and possesses sufficient cash and banking facilities to meet the working capital requirements for existing operations and the new production plants, and also to finance potential investment opportunities.

## **FOREIGN EXCHANGE RISK**

The Group is exposed to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of the respective member of the Group. In order to reduce the exchange risk, the Group maintained currency forward contracts, which were of USD5 million as at 30 September 2015. The Group will continue to monitor the foreign currency exposure closely and will consider taking appropriate actions, including but not limited to hedging significant foreign currency exposure should the need arise.

## **CHARGE OF ASSETS**

As at 30 September 2015, the Group pledged certain assets including bank deposits, prepaid land lease payment, buildings and investment properties with aggregate net book value of approximately HK\$392.5 million (as at 31 March 2015: approximately HK\$414.0 million) to secure banking facilities granted to the Group.

## **CAPITAL COMMITMENT AND CONTINGENT LIABILITIES**

As at 30 September 2015, the Group's capital expenditure contracted but not provided for regarding property, plant and equipment was approximately HK\$15.7 million (as at 31 March 2015: approximately HK\$22.4 million).

As at 30 September 2015, the Group did not have any capital expenditure authorised but not contracted for (as at 31 March 2015: Nil), nor any significant contingent liabilities (as at 31 March 2015: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES AND REMUNERATION

As at 30 September 2015, the Group had a total of 1,465 employees (as at 31 March 2015: 1,697). For the Period, the Group's total expenses on the remuneration of employees including emolument of directors of the Company (the "Directors") was approximately HK\$71.4 million (six month ended 30 September 2014: approximately HK\$79.2 million).

The remuneration and bonuses of the Company's executive directors (the "Executive Directors") and senior management are reviewed and approved by the remuneration committee of the Company with reference, but not limited to the individual performance, the Group's results, qualification, competence and the prevailing market condition.

The Group's emolument policies are formulated based on the performance of individual employees and the prevailing market condition, which will be reviewed annually. Apart from remuneration packages, discretionary bonuses and employee share options are also awarded to eligible employees according to the assessment of individual performance.

## PROSPECT

Looking ahead, a slow recovery in global economy is expected to continue. With the change in consumption pattern and the popularity of online shopping emerging, demand of corrugated paper packaging will be driven to meet the increasing logistics needs. Besides, under the tightening environmental protection policies, closures of substandard paper packaging companies may provide a favorable opportunity for the market leaders to increase the market shares with the competitive edge in high-quality products and diversified product mix.

Being one of the market leaders in the industry, the Group is optimistic towards the business prospects in long term, and will cautiously seize the golden opportunity to differentiate its business from the industry with the high production efficiency. Value-added products and service will continue to be the Group's focus, in order to secure more orders from high-end customers for profit margin improvement, and to further strengthen its leadership position in the paper packaging industry.

In accordance with the market trend, demand for value-added service, including offset printing and structural designs, are believed to rise steadily. To cope with the demands, the Group has carried out expansion in production capacity through the establishment of Fujian Plant. Upon completion of the construction of Fujian Plant during the Period, the Group has been unremittingly endeavoring to prepare for the commencement of operation. With close monitoring and efficient execution, Fujian Plant is expected to commence its trial production in the second half of the financial year, to get ready for the mass production in the later stage. The Group will spare no efforts to monitor the startup of Fujian Plant, as well as to maintain a prudent financial position for long term development.

In addition to the main business, Xiamen Weihua, the Group's investment in solar cell business, improved the production capacities during the Period, allowing them to make a breakthrough in leveling up the photoelectric conversion efficiency and stability, as well as extending the life-span of its PVS solar cells. Such continuous product enhancement provides competitive advantages to Xiamen Weihua in its future development. With the strong business foundation developed, Xiamen Weihua will now focus in its investment planning in further expanding the production capacities for mass production in the long term. With close attention to Xiamen Weihua's business development, the Group appreciates its expertise and unceasing effort in the research and development of its solar cells product, and stays optimistic that the business will expand the Group's source of revenue in the future with its high-potential outlook in the solar cell industry.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 September 2015, the interests and short positions of the Directors and chief executives of the Company in the shares (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO or Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, were as follows:

#### Long positions in the Shares

Name	Capacity/Nature of interest	Number of Shares	Percentage of issued Shares
Mr. CHONG Kam Chau ("Mr. CHONG") (Notes 1 & 2)	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	227,206,000	62.71%
	Beneficial owner	1,700,000*	0.47%
Mr. CHONG Wa Pan (Notes 1 & 3)	Beneficiary of a discretionary trust	227,206,000	62.71%
	Beneficial owner	1,200,000*	0.33%
Mr. CHONG Wa Ching (Notes 1 & 3)	Beneficiary of a discretionary trust	227,206,000	62.71%
	Beneficial owner	600,000*	0.17%
Mr. CHONG Wa Lam (Notes 1 & 3)	Beneficiary of a discretionary trust	227,206,000	62.71%
	Beneficial owner	600,000**	0.17%
Mr. LUK Kwok Tung, Eric <sup>#</sup>	Beneficial owner	2,000	less than 0.01%
	Beneficial owner	300,000*	0.08%
Mr. CHAU On Ta Yuen	Beneficial owner	500,000*	0.14%
Ms. TSUI Pui Man	Beneficial owner	500,000*	0.14%
Mr. LAW Tze Lun	Beneficial owner	500,000*	0.14%

\* These long positions represent the share options granted to the respective Directors under the share option scheme of the Company. Each share option shall entitle the holder thereof to subscribe for one Share.

\*\* These long positions represent the share option granted to the then Director under the share option scheme of the Company. Each share option shall entitle the holder thereof to subscribe for one share.

<sup>#</sup> Mr. LUK Kwok Tung, Eric tendered his resignation as an Executive Director and authorised representative of the Company with effect from 1 October 2015.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES *(Continued)*

#### Long positions in the ordinary shares of associated corporation

Name	Name of associated corporation	Capacity/Nature of interest	Number of securities	Percentage of 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%

Notes:

- The entire issued shares of Perfect Group Version Limited ("**Perfect Group**") are held by Jade City Assets Limited, which in turn is 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 as settlor and HSBC International Trustee Limited as trustee on 2 February 2009. The beneficiaries of the CHONG Family Trust include Mr. CHONG, 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 is the founder, an Executive Director and the Chairman of the board of Directors (the "**Board**"). Mr. CHONG is the sole director of Perfect Group and therefore Mr. CHONG is deemed or taken to be interested in the 227,206,000 Shares beneficially owned by Perfect Group for the purposes of the SFO. Mr. CHONG as settlor and a beneficiary of the CHONG Family Trust is also deemed or taken to be interested in all the Shares held by Perfect Group under the SFO.
- Mr. CHONG Wa Pan, the Chief Executive Officer and the President of the Group, together with Mr. CHONG Wa Ching, as an Executive Director and Mr. CHONG Wa Lam (who resigned as an Executive Director on 2 September 2013), and the issues of Mr. CHONG Wa Pan, namely, Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee, all being beneficiaries of the CHONG Family Trust, are deemed or taken to be interested in all the Shares held by Perfect Group under the SFO.

Save as disclosed above, 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 2015.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2015, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

#### Long positions in the Shares

Name	Capacity/Nature of interest	Number of shares	Percentage of issued shares
Perfect Group Version Limited (Notes 1 & 2)	Beneficial owner	227,206,000	62.71%
Jade City Assets Limited (Notes 1 & 2)	Interest of controlled corporation	227,206,000	62.71%
HSBC International Trustee Limited (Notes 1 & 2)	Trustee	227,206,000	62.71%
Ms. CHAN Po Ting (Notes 1 & 3)	Family interests; Beneficiary of a discretionary trust	228,906,000	63.18%
Ms. HUNG Woon Cheuk (Note 4)	Family interests	228,406,000	63.04%
Ms. Yuen Chung Yan (Note 5)	Family interests	227,806,000	62.88%
Mr. CHONG Kam Hung (Note 1)	Beneficiary of a discretionary trust	227,206,000	62.71%
Mr. CHONG Kam Shing (Note 1)	Beneficiary of a discretionary trust	227,206,000	62.71%
Ms. CHONG Sum Yee (Note 1)	Beneficiary of a discretionary trust	227,206,000	62.71%

Notes:

1. The entire issued shares of Perfect Group 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, 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 and one of the beneficiaries of the CHONG Family Trust, is deemed or taken to be interested in the interests held by Mr. CHONG Kam Chau and Perfect Group under the SFO.
4. Ms. HUNG Woon Cheuk is the spouse of Mr. CHONG Wa Pan, and Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee are children under 18 of Ms. HUNG Woon Cheuk. Therefore, Ms. HUNG Woon Cheuk is deemed or taken to be interested in the interests held by Mr. CHONG Wa Pan, Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee under the SFO.
5. Ms. YUEN Chung Yan, the spouse of Mr. CHONG Wa Ching, is deemed or taken to be interested in the interests held by Mr. CHONG Wa Ching under the SFO.

## OTHER INFORMATION

### RESIGNATION OF EXECUTIVE DIRECTOR AND CHANGE OF AUTHORISED REPRESENTATIVE

Mr. LUK Kwok Tung, Eric tendered his resignation as an Executive Director and authorised representative of the Company with effect from 1 October 2015. Mr. CHONG Wa Pan, the Chief Executive Officer and Executive Director, has been appointed as the new authorised representative of the Company with effect from 1 October 2015.

### PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the Period, 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 appropriate corporate governance practices to enhance the accountability and transparency of the Company in order to protect its shareholders' interests and to ensure that the Company complies with the latest statutory requirements and professional standards.

The Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Period.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

All the members of the Board confirmed, following specific enquiries by the Company, that they had complied with the required standards set out in the Model Code throughout the Period.

### AUDIT COMMITTEE

The main duties of the audit committee of the Company (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, who is also the chairman of the Audit Committee, Mr. CHAU On Ta Yuen and Ms. TSUI Pui Man.

The Audit Committee has reviewed with management this interim report and the unaudited consolidated financial statements of the Group for the Period, including the accounting principles and practices adopted, internal controls and financial reporting matters.

# OTHER INFORMATION

## SHARE OPTION SCHEME

Details of the share options outstanding as at 30 September 2015 under the share option scheme adopted by the Company on 5 February 2009 (the "Share Option Scheme" or the "Scheme") are as follows:

Name or category of grantees	Date of grant	Exercisable period	Exercise price (HK\$) (Note 1)	Share options held on 31 March 2015	Share options granted during the Period	Share options exercised during the Period	Share options lapsed during the Period	Share options held on 30 September 2015
<b>Executive Directors</b>								
Mr. CHONG Kam Chau	6 January 2010	6 January 2011 to 5 January 2020	1.18	680,000	-	-	-	680,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	510,000	-	-	-	510,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	510,000	-	-	-	510,000
				1,700,000	-	-	-	1,700,000
Mr. CHONG Wa Pan	6 January 2010	6 January 2011 to 5 January 2020	1.18	480,000	-	-	-	480,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	360,000	-	-	-	360,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	360,000	-	-	-	360,000
				1,200,000	-	-	-	1,200,000
Mr. CHONG Wa Ching	6 January 2010	6 January 2011 to 5 January 2020	1.18	240,000	-	-	-	240,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	180,000	-	-	-	180,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	180,000	-	-	-	180,000
				600,000	-	-	-	600,000
Mr. LUK Kwok Tung, Eric*	6 January 2010	6 January 2011 to 5 January 2020	1.18	120,000	-	-	-	120,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	90,000	-	-	-	90,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	90,000	-	-	-	90,000
				300,000	-	-	-	300,000
<b>Independent Non-executive Directors</b>								
Mr. CHAU On Ta Yuen	6 January 2010	6 January 2011 to 5 January 2020	1.18	200,000	-	-	-	200,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	300,000	-	-	-	300,000
				500,000	-	-	-	500,000
Ms. TSUI Pui Man	6 January 2010	6 January 2011 to 5 January 2020	1.18	200,000	-	-	-	200,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	300,000	-	-	-	300,000
				500,000	-	-	-	500,000
Mr. LAW Tze Lun	6 January 2010	6 January 2011 to 5 January 2020	1.18	200,000	-	-	-	200,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	300,000	-	-	-	300,000
				500,000	-	-	-	500,000
<b>Seven other eligible participants of the Group</b>								
	6 January 2010	6 January 2011 to 5 January 2020	1.18	660,000	-	-	-	660,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	495,000	-	-	-	495,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	495,000	-	-	-	495,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	3,000,000	-	-	-	3,000,000
				4,650,000	-	-	-	4,650,000
<b>One other eligible participant of the Group</b>								
	6 January 2010	6 January 2011 to 5 January 2020	1.18	150,000	-	-	-	150,000
				150,000	-	-	-	150,000
				10,100,000	-	-	-	10,100,000

## OTHER INFORMATION

### SHARE OPTION SCHEME *(Continued)*

\* Mr. LUK Kwok Tung, Eric resigned as an Executive Director and authorised representative of the Company with effect from 1 October 2015. According to the Option Scheme, all option granted to Mr. LUK will be lapsed on the expiry of three months after the date of cessation of employment. For details of the resignation of Mr. LUK, please refer to the announcement dated 30 September 2015.

- Notes: 1. (a) The closing price of the Shares on 5 January 2010 (the day immediately before the date of grant) was HK\$1.18.
- (b) The closing price of the Shares on 16 May 2010 (the day immediately before the date of grant) was HK\$1.05.
2. For details of the value of the options granted, please refer to note 15 to the unaudited consolidated financial statements.

### EVENTS AFTER THE REPORTING PERIOD

No significant events occurring after the end of the six months ended 30 September 2015.

### PUBLIC FLOAT

As far as the Company is aware, more than 25% of the issued shares of the Company were held in public hands as at 30 September 2015.



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2015

	Notes	Six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
<b>Turnover</b>	3	<b>424,413</b>	484,243
Cost of goods sold		<b>(340,969)</b>	(385,065)
<b>Gross profit</b>		<b>83,444</b>	99,178
Other income		<b>9,675</b>	11,014
Other gains and losses	4	<b>(44,171)</b>	13,142
Selling expenses		<b>(21,993)</b>	(23,698)
Administrative expenses		<b>(55,429)</b>	(65,408)
Other operating (expenses) income		<b>(2)</b>	20
<b>(Loss) profit from operations</b>		<b>(28,476)</b>	34,248
Finance costs	5	<b>(5,766)</b>	(4,662)
<b>(Loss) profit before tax</b>		<b>(34,242)</b>	29,586
Income tax expense	6	<b>(2,953)</b>	(4,005)
<b>(Loss) profit for the period</b>	7	<b>(37,195)</b>	25,581
<b>(Loss) profit for the period attributable to:</b>			
Owners of the Company		<b>(35,328)</b>	25,688
Non-controlling interests		<b>(1,867)</b>	(107)
		<b>(37,195)</b>	25,581
<b>(Loss) earnings per share</b>	8	<b>(9.75) cents</b>	7.09 cents
Basic and diluted			
<b>Dividend</b>	9	<b>–</b>	–

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
<b>(Loss) profit for the period</b>	<b>(37,195)</b>	25,581
<b>Other comprehensive (expenses) income for the period:</b> <i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences on translating foreign operations	<b>(19,767)</b>	417
<b>Total comprehensive (expenses) income</b>	<b>(56,962)</b>	25,998
<b>Total comprehensive (expenses) income for the period attributable to:</b>		
Owners of the Company	<b>(54,266)</b>	26,084
Non-controlling interests	<b>(2,696)</b>	(86)
	<b>(56,962)</b>	25,998

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
<b>Non-current assets</b>			
Prepaid lease payments		65,787	68,975
Property, plant and equipment	10	284,407	271,811
Investment properties		211,100	204,760
Goodwill		11,631	11,631
Deposits paid for acquisition of property, plant and equipment		20,121	29,981
Available-for-sale investment		10,770	10,100
Club membership		366	366
Held-to-maturity investments		10,033	9,881
Deferred tax asset		1,401	1,401
		<b>615,616</b>	608,906
<b>Current assets</b>			
Inventories		82,020	80,990
Trade and bills receivables	11	214,789	220,672
Prepayments, deposits and other receivables		41,916	44,786
Amounts due from non-controlling shareholders	13	29	29
Prepaid lease payments		1,551	1,606
Tax recoverable		285	285
Financial assets designated as at fair value through profit or loss ("FVTPL")	18	53,177	53,174
Derivative financial instruments	18	–	203
Held for trading investments	18	41,650	6,740
Pledged bank deposits		152,818	175,171
Bank and cash balances		135,896	204,232
		<b>724,131</b>	787,888

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
<b>Current liabilities</b>			
Trade and bills payables	12	123,597	127,201
Accruals and other payables		86,090	84,863
Amounts due to non-controlling shareholders	13	27,959	27,409
Short-term borrowings		341,877	357,900
Current tax liabilities		18,916	17,479
Derivative financial instruments	18	31,305	4,783
Current portion of long-term borrowings		66,368	99,220
Amount due to a director		135	135
		<b>696,247</b>	718,990
<b>Net current assets</b>			
		<b>27,884</b>	68,898
<b>Total assets less current liabilities</b>			
		<b>643,500</b>	677,804
<b>Non-current liabilities</b>			
Amounts due to non-controlling shareholders	13	4,868	6,412
Long-term borrowings		54,430	10,146
Deferred tax liabilities		4,563	4,724
		<b>63,861</b>	21,282
<b>NET ASSETS</b>			
		<b>579,639</b>	656,522
<b>Capital and reserves</b>			
Share capital	14	3,623	3,623
Reserves		570,805	644,992
Equity attributable to owners of the Company		<b>574,428</b>	648,615
Non-controlling interests		5,211	7,907
		<b>579,639</b>	656,522

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Attributable to owners of the Company										
	Share capital	Share premium	Special reserve	Share-based payment reserve	Foreign currency translation reserve	Statutory reserve	Contribution reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014 (audited)	3,623	193,212	105,309	3,698	79,404	20,250	15,840	185,370	606,706	12,221	618,927
Total comprehensive income (expense) for the period	-	-	-	-	396	-	-	25,688	26,084	(86)	25,998
Final Dividend of 2014 (note 9)	-	-	-	-	-	-	-	(12,681)	(12,681)	-	(12,681)
Change in equity for the period	-	-	-	-	396	-	-	13,007	13,403	(86)	13,317
At 30 September 2014 (unaudited)	3,623	193,212	105,309	3,698	79,800	20,250	15,840	198,377	620,109	12,135	632,244
At 1 April 2015 (audited)	3,623	193,212	105,309	3,698	80,059	20,250	15,840	226,624	648,615	7,907	656,522
Total comprehensive income (expense) for the period	-	-	-	-	(18,938)	-	-	(35,328)	(54,266)	(2,696)	(56,962)
Final Dividend of 2015 (note 9)	-	-	-	-	-	-	-	(19,921)	(19,921)	-	(19,921)
Change in equity for the period	-	-	-	-	(18,938)	-	-	(55,249)	(74,187)	(2,696)	(76,883)
At 30 September 2015 (unaudited)	3,623	193,212	105,309	3,698	61,121	20,250	15,840	171,375	574,428	5,211	579,639

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	Note	Six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>33,714</b>	2,924
Purchases of property, plant and equipment	10	(10,977)	(8,491)
Proceeds from disposals of property, plant and equipment		72	1,374
Increase in pledged bank deposits		22,353	(19,702)
Increase in deposits paid for acquisition of property, plant and equipment		(17,031)	(665)
Proceed from disposal of an available-for-sales investment		–	2,995
Proceed from disposal of held-to-maturity investment		9,608	–
Acquisition of an available-for-sales investment		(1,050)	(10,095)
Acquisition of held-to-maturity investment		(10,033)	–
Acquisition of held for trading investment		(63,107)	–
Proceed from disposal of held for trading investment		60	128
Interest received		4,903	1,996
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(65,202)</b>	(32,460)
Drawing of short term loans, net		(15,682)	48,518
Drawing of new long-term borrowings		20,000	–
Repayment of long term borrowings		(8,568)	(16,330)
Dividend paid		(19,918)	–
Interest paid		(6,085)	(4,982)
<b>NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES</b>		<b>(30,253)</b>	27,206
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(61,741)</b>	(2,330)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(6,595)</b>	215
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>204,232</b>	174,898
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>135,896</b>	172,783
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances		135,896	172,783

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 1. BASIS OF PREPARATION

These unaudited consolidated 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 Listing Rules.

These unaudited consolidated financial statements should be read in conjunction with the 2015 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2015 except as stated below.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The consolidated financial statements have been prepared on the historical cost basis.

In the current interim period, the Group has applied, for the first time, the following new Interpretation (“Int”) and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the above new Interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

## 3. TURNOVER AND SEGMENTAL INFORMATION

Turnover of the Group represents net invoiced value of goods sold for the period.

### Segmental information

The chief operating decision makers have been identified as the Executive 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.

The Group has three reportable segments as follows:

Corrugated products	—	manufacture and sale of corrugated board and corrugated paper-based packing products;
Offset printed corrugated products	—	manufacture and sale of offset printed corrugated products; and
Properties leasing	—	properties leased in Hong Kong for rental income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 3. TURNOVER AND SEGMENTAL INFORMATION (Continued)

### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 September 2015

	Corrugated products HK\$'000 (unaudited)	Offset printed corrugated products HK\$'000 (unaudited)	Properties leasing HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Segment revenue</b>					
External sales	344,291	80,122	–	–	424,413
Inter-segment sales	11,315	5,184	–	(16,499)	–
<b>Total</b>	<b>355,606</b>	<b>85,306</b>	<b>–</b>	<b>(16,499)</b>	<b>424,413</b>
<b>Segment results</b>	<b>1,499</b>	<b>7,976</b>	<b>8,472</b>		<b>17,947</b>
Interest income					4,903
Fair value changes of derivative financial instruments					(26,725)
Fair value changes of held for trading investments					(26,579)
Fair value changes of financial assets designated as at FVTPL					3
Income from structured foreign currency forward contracts					2,986
Income from structured deposits					711
Corporate income and expenses					(7,488)
<b>Loss before tax</b>					<b>(34,242)</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 3. TURNOVER AND SEGMENTAL INFORMATION *(Continued)*

For the six months ended 30 September 2014

	Corrugated products HK\$'000 (unaudited)	Offset printed corrugated products HK\$'000 (unaudited)	Properties leasing HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Segment revenue</b>					
External sales	404,588	79,655	–	–	484,243
Inter-segment sales	5,157	9,971	–	(15,128)	–
<b>Total</b>	<b>409,745</b>	<b>89,626</b>	<b>–</b>	<b>(15,128)</b>	<b>484,243</b>
<b>Segment results</b>	<b>13,284</b>	<b>6,981</b>	<b>11,220</b>		<b>31,485</b>
Interest income					1,996
Fair value changes of held for trading investments					2,326
Fair value changes of derivative financial instruments					5
Fair value changes of financial assets designated as at FVTPL					253
Income from structured foreign currency forward contracts					920
Income from structured deposits					960
Corporate income and expenses					(8,359)
<b>Profit before tax</b>					<b>29,586</b>

The accounting policies of the operating segments are the same as the Group's accounting policies as described in preparing the 2015 financial statement of the Group. Segment profits or losses represented the profit earned/loss from each segment without allocation of interest income, fair value changes of derivative financial instruments, fair value changes of financial assets designated as at FVTPL, fair value changes of held for trading investments, income from structured foreign currency forward contracts, income from structured deposits and corporate income and expenses. For the purposes of resource allocation and performance assessment, segment profits or losses are reported to the chief operating decision maker as standards of assessment.

Inter-segment sales are charged at prevailing market rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 3. TURNOVER AND SEGMENTAL INFORMATION (Continued)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	Corrugated products HK\$'000 (unaudited)	Offset printed corrugated products HK\$'000 (unaudited)	Properties leasing HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>At 30 September 2015</b>				
<b>Segment assets</b>	<b>849,789</b>	<b>125,763</b>	<b>211,216</b>	<b>1,186,768</b>
<b>Segment liabilities</b>	<b>198,445</b>	<b>34,132</b>	<b>888</b>	<b>233,465</b>

	Corrugated products HK\$'000 (audited)	Offset printed corrugated products HK\$'000 (audited)	Properties leasing HK\$'000 (audited)	Total HK\$'000 (audited)
<b>At 31 March 2015</b>				
<b>Segment assets</b>	<b>943,940</b>	<b>132,525</b>	<b>204,752</b>	<b>1,281,217</b>
<b>Segment liabilities</b>	<b>178,281</b>	<b>30,481</b>	<b>899</b>	<b>209,661</b>

All assets are allocated to segments other than leasehold land in Hong Kong for corporate use, investment properties for capital appreciation purposes, goodwill, intangible assets, club membership, deferred tax asset, amounts due from non-controlling shareholders, held for trading investments, bank balances managed on central basis, available-for-sale investment, derivative financial instruments, financial assets designated as at FVTPL, tax recoverable and corporate assets.

All liabilities are allocated to segments other than current tax liabilities, deferred tax liabilities, amounts due to non-controlling shareholders, borrowings, amount due to a director and corporate liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 4. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Fair value changes of derivative financial instruments	(26,725)	2,326
Fair value changes of held for trading investments	(26,579)	5
Fair value changes of financial assets designated as at FVTPL	3	253
Fair value changes of investment properties	6,340	9,250
Loss on disposal of available-for-sale investment	–	(547)
Loss on disposal of held for trading investments	(907)	(25)
Income from structured foreign currency forward contracts	2,986	920
Income from structure deposits	711	960
	<b>(44,171)</b>	<b>13,142</b>

## 5. FINANCE COSTS

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Interest on:		
bank borrowings		
— wholly repayable within five years	5,233	4,123
other loans		
— wholly repayable within five years	219	220
amount due to a non-controlling interest		
— not wholly repayable within five years	314	319
	<b>5,766</b>	<b>4,662</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Hong Kong Profits Tax		
Current tax	1,608	2,684
The People's Republic of China (the "PRC") enterprise income tax ("EIT")		
Current tax	1,345	1,321
	<b>2,953</b>	4,005

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits. Tax charge on profits assessable in other jurisdictions has been calculated at the rates of tax prevailing in the relevant jurisdictions for both years.

The mode of manufacturing operations of Wah Ming International Limited ("Wah Ming") was within the scope of the Departmental Interpretation Practice Note No. 21 issued by the Inland Revenue Department of Hong Kong (the "IRD"), that Wah Ming conducted its manufacturing operations by entering into contract processing arrangements with a processing factory in the PRC and hence 50% of the adjusted profits were treated as offshore and not taxable in Hong Kong. The contract processing arrangements were expired on 22 September 2012 and no offshore profit was claimed after the expiry.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

A portion of the Group's profits for the years ended 31 March 2015 and 2014 were earned by the Macau subsidiaries of the Group incorporated under the Macao Special Administrative Region's ("Macao SAR's") Offshore Law. Pursuant to the Macao SAR's Offshore Law, such portion of profits is exempted from Macau complimentary tax. Further, in the opinion of the Directors, that portion of the Group's profits is not at present subject to taxation in any other jurisdiction in which the Group operates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 6. INCOME TAX EXPENSE *(Continued)*

In prior years, the IRD had issued several letters to a director of the Company, Mr. CHONG, the Company and some of its subsidiaries requesting for certain financial information for the years of assessment from 2002/03 to 2005/06. The Group had already submitted several replies and provided part of the financial information to the IRD.

The IRD had issued estimated assessments for profits tax for the years of assessment 2002/03 to 2005/06 amounting to approximately HK\$25,400,000 to five subsidiaries of the Group in aggregate in previous years. The Group had made objections to the IRD on those estimated assessments and purchased tax reserve certificates amounting to HK\$3,500,000. The IRD had held over the payment of profits tax of approximately HK\$14,817,000.

During the year ended 31 March 2013, the Group reached a settlement agreement with the IRD for two subsidiaries of the Group for the years of assessment 2002/03 to 2008/09 for a total sum of profits tax of approximately HK\$17,566,000 and related tax penalties and interests in aggregate of approximately HK\$2,311,000. For the remaining three subsidiaries of the Group with estimated assessments for profits tax for the years of assessment 2002/03 to 2005/06 of approximately HK\$6,734,000, the whole amount of estimated assessments had been held over by the IRD. For the year ended 31 March 2014, the IRD had finalised the tax assessment to two of those subsidiaries for which profits tax of approximately HK\$3,234,000 had been held over previously. No profits tax was required upon finalisation of profits tax assessment for these two subsidiaries. For the remaining one with estimated profits tax under previous assessment of approximately HK\$3,500,000, no further profits tax had been levied up to date.

Pursuant to the deed of indemnity dated 13 February 2009, Perfect Group Version Limited, Mr. CHONG, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam (shareholders of the Company and collectively referred to as the “**Indemnifiers**”) had given indemnities among taxation and related penalty and liability resulting from any income, profits or gains earned, accrued or received on or before the listing date of the Company, which might be payable by any member of the Group (the “**Tax Indemnity**”). Pursuant to the above arrangement, Mr. CHONG, acting on behalf of the Indemnifiers, agreed to settle the additional tax and related tax penalties and interests in aggregate of approximately HK\$15,840,000 as abovementioned to the Group. During the years ended 31 March 2013 and 2014, approximately HK\$15,840,000 and HK\$3,159,000 were settled respectively. Further details of the Tax Indemnity are set out in the Company’s prospectus dated on 16 February 2009.

As of 31 March 2015, the Group’s tax advisor confirmed that the IRD assessor verbally confirmed that no tax adjustment would be required for other group entities and the Group’s Hong Kong profits tax position for the years of assessment 2002/03 to 2008/09 had been finalised and settled with the IRD.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 7. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging (crediting) the followings:

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Depreciation for property, plant and equipment	13,884	16,429
Amortisation of prepaid lease payments	795	884
<b>Total depreciation and amortisation</b>	<b>14,679</b>	<b>17,313</b>
Auditors' remuneration	–	–
Cost of inventories sold*	340,969	385,065
Operating lease charges in respect of land and buildings	10,600	9,503
Net foreign exchange (gain) loss	(1,354)	2,600
Staff costs		
Directors' emoluments	2,985	2,784
Other staff salaries, bonus and allowances	64,218	72,932
Retirement benefits scheme contributions (excluding directors)	4,213	3,520
	<b>71,416</b>	<b>79,236</b>

\* Cost of inventories sold includes staff costs, depreciation and operating lease charges totalling to approximately HK\$59,265,000 (2014: HK\$66,554,000) which was included in the amounts disclosed separately above.

## 8. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to owners of the Company was based on the following data:

	(Loss) earnings for the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
(Loss) profit for the period attributable to owners of the Company	<b>(35,328)</b>	25,688

	Number of shares at 30 September	
	2015 (unaudited)	2014 (unaudited)
Weighted average number of ordinary shares at end of period	<b>362,300,000</b>	362,300,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 8. (LOSS) EARNINGS PER SHARE *(Continued)*

The computation of diluted (loss) earnings per share does not assume the following:

- (a) the exercise of certain amount of the Company's share options and warrants because the exercise prices of those options and warrants were higher than the average market price of shares for the periods ended 30 September 2015 and 2014; and
- (b) the issuance of the consideration shares because Think Speed Group Limited's ("TSGL") profit amount was not equal to or exceed TSGL's guaranteed amount for the period ended 30 September 2014 (as at 30 September 2015: nil).

## 9. DIVIDEND

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Dividend recognised as distribution during the period		
2015 Final dividend — HK5.5 cents (2014: HK3.5 cents) per share	<b>19,921</b>	12,681

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group acquired property, plant and equipment of approximately HK\$10,977,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 11. TRADE AND BILLS RECEIVABLES

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

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Trade receivables:		
Not yet due for settlement	<b>174,972</b>	191,859
Overdue:		
1 to 30 days	<b>16,134</b>	8,428
31 to 90 days	<b>9,761</b>	4,129
91 to 365 days	<b>4,935</b>	12,378
Over 1 year	<b>17,915</b>	12,793
	<b>223,717</b>	229,587
Less: Allowance for doubtful debts	<b>(14,246)</b>	(15,117)
	<b>209,471</b>	214,470
Bills receivables	<b>5,318</b>	6,202
	<b>214,789</b>	220,672

## 12. TRADE AND BILLS PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Trade payables:		
0 to 30 days	<b>51,393</b>	55,973
31 to 90 days	<b>1,157</b>	764
Over 90 days	<b>855</b>	264
	<b>53,405</b>	57,001
Bills payables	<b>70,192</b>	70,200
	<b>123,597</b>	127,201



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 13. AMOUNTS DUE FROM/TO NON-CONTROLLING SHAREHOLDERS

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Amounts due from non-controlling shareholders	<b>29</b>	29

The amounts due from non-controlling shareholders are unsecured, non-interest bearing and repayable on demand.

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Amounts due to non-controlling shareholders:		
The amount due is repayable as follows:		
On demand or within one year	<b>27,959</b>	27,409
In the second year	<b>1,217</b>	1,282
In the third to fifth year, inclusive	<b>3,651</b>	3,848
After five years	–	1,282
	<b>32,827</b>	33,821
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(27,959)</b>	(27,409)
Amount due for settlement after 12 months	<b>4,868</b>	6,412

As at 30 September 2015, the amount of approximately US\$1,475,000 (equivalent to approximately HK\$12,170,000) (31 March 2015: US\$1,500,000 (equivalent to approximately HK\$12,825,000)) due to a non-controlling shareholder of a subsidiary, Fully Chance Holdings Limited (“**Fully Chance**”), is unsecured with interest bearing at 5% per annum. The principal is repayable in ten annual installments (commencing on 11 June 2011) plus interest on the outstanding balance.

As at 30 September 2015, the amount of approximately HK\$20,196,000 (31 March 2015: HK\$20,196,000) due to a non-controlling interest of a subsidiary, Turbo Best Holdings Limited, is unsecured, non-interest bearing and repayable on demand.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 14. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each At 1 April 2014, 31 March 2015, 1 April 2015 and 30 September 2015	2,000,000	20,000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each At 1 April 2014, 31 March 2015, 1 April 2015 and 30 September 2015	362,300	3,623

## 15. SHARE-BASED PAYMENTS

### Equity-settled share option scheme

The Share Option Scheme was adopted on 5 February 2009. A summary of the principal terms of the Share Option Scheme is set out in the 2015 annual report of the Company.

Details of the specific categories of options are as follows:

Grant date	6 January 2010	6 January 2010	6 January 2010	17 May 2010
Lot	1	2	3	4
Vesting period (note (a))	6 January 2010 to 5 January 2011	6 January 2010 to 5 January 2012	6 January 2010 to 5 January 2013	17 May 2010 to 12 November 2010
Exercise period	6 January 2011 to 5 January 2020	6 January 2012 to 5 January 2020	6 January 2013 to 5 January 2020	13 November 2010 to 16 May 2020
Exercise price (note (b))	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.05
Price of the Company's shares at the date of grant (note (c))	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.05

Notes:

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issue, or other similar changes in the Company's share capital.
- (c) The price of the Company's share disclosed as at the date of grant of the share options is the higher of the average of closing price listed on the Stock Exchange for the five business days immediately preceding the date of the grant of the share options or the closing price at the date of grant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 15. SHARE-BASED PAYMENTS (Continued)

### Equity-settled share option scheme (Continued)

Details of the share options outstanding during the period are as follows:

	Number of share options granted to directors	Weighted average exercise price HK\$	Number of share options granted to employees	Weighted average exercise price HK\$	Total number of share options	Weighted average exercise price HK\$
Outstanding at 1 April 2015	5,600,000	1.16	4,500,000	1.09	10,100,000	1.13
Lapsed during the period	-	-	-	-	-	-
Outstanding at 30 September 2015	5,600,000	1.16	4,500,000	1.09	10,100,000	1.13
Exercisable at 30 September 2015	5,600,000	1.16	4,500,000	1.09	10,100,000	1.13

No share options have been exercised during the Period. The options outstanding at 30 September 2015 have a weighted average remaining contractual life of 4.41 years (as at 30 September 2014: 5.41 years) and the exercise price of HK\$1.13 (as at 30 September 2014: HK\$1.13).

At 30 September 2015, the number of shares in respect of which options have been granted and remained outstanding under the Scheme was 10,100,000 (as at 30 September 2014: 10,100,000), representing 2.79% (as at 30 September 2014: 2.79%) of the shares of the Company in issue at that date.

Options shall be forfeited on the expiry of three months after the date of cessation of employment, but before the options vest. All the options forfeited before expiry of the options will be treated as cancelled option under the Share Option Scheme.

The estimated fair value of the options granted during the years ended 31 March 2011 and 2010 calculated using the Black-Scholes option pricing model was approximately HK\$6,285,000 and HK\$3,315,000 respectively. The inputs into the model were as follows:

Grant date	6 January 2010	6 January 2010	6 January 2010	17 May 2010
Lot	1	2	3	4
Option value	HK\$0.3918	HK\$0.3959	HK\$0.3986	HK\$0.3207
Total fair value	HK\$1,563,000	HK\$873,000	HK\$879,000	HK\$6,285,000
Share price at date of grant	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.05
Exercise price	HK\$1.18	HK\$1.18	HK\$1.18	HK\$1.05
Expected volatility	50.45%	49.61%	49.02%	52.08%
Risk-free interest rate	2.01%	2.10%	2.20%	1.75%
Expected life of options	5.5 years	6 years	6.5 years	5.24 years
Dividend yield	3.90%	3.90%	3.90%	4.38%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 15. SHARE-BASED PAYMENTS *(Continued)*

### Equity-settled share option scheme *(Continued)*

The expected volatility was determined by calculating the historical volatility of the listed shares' price of similar companies in the same industry over a period that is equal to the expected life of the options before the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

## 16. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Capital expenditure contracted but not provided for:		
Purchase of property, plant and equipment	15,748	22,390

## 17. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2015 (As at 31 March 2015: Nil).

## 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable according to the Group's accounting policy.

	30 September 2015			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Financial assets at FVTPL</b>				
Held for trading investments	41,650	–	–	41,650
Financial assets designated at FVTPL				
— Equity linked notes	–	53,177	–	53,177
	41,650	53,177	–	94,827
<b>Financial liabilities at FVTPL</b>				
Derivative financial instrument	–	31,305	–	31,305

	31 March 2015			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Financial assets at FVTPL</b>				
Held for trading investments	6,740	–	–	6,740
Financial assets designated at FVTPL				
— Equity linked notes	–	53,174	–	53,174
Derivative financial instruments	–	203	–	203
	6,740	53,377	–	60,117
<b>Financial liabilities at FVTPL</b>				
Derivative financial instrument	–	4,783	–	4,783

There was no transfer between levels of fair value hierarchy in the current and prior years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(Continued)*

The valuation techniques and inputs used in Level 2 fair value measurements of financial instruments are set out below:

	Valuation technique	Key input
Equity linked notes	Monte-Carlo simulation	Fair value is obtained by repeated random sampling of results based on: <ul style="list-style-type: none"> <li>(a) Risk-free rate</li> <li>(b) Volatility</li> <li>(c) Average date market price</li> <li>(d) Initial reference price</li> <li>(e) Contractual amount</li> <li>(f) Time to maturity</li> </ul>
Structured foreign currency forward contracts	Monte-Carlo simulation	Fair value is obtained by repeated random sampling of results based on: <ul style="list-style-type: none"> <li>(a) Contractual amount</li> <li>(b) Risk-free rate</li> <li>(c) Time to maturity</li> <li>(d) Spot exchange rate</li> <li>(e) Volatility</li> <li>(f) Settlement date market forward exchange rate</li> <li>(g) Target knock-out rate limit</li> </ul>
Structured performance swap	Discounted cash flow	Future cash flows are estimated based on: <ul style="list-style-type: none"> <li>(a) Contract interest rate</li> <li>(b) Yield curves</li> <li>(c) Time to maturity</li> <li>(d) Volatility</li> <li>(e) Contractual amount</li> </ul>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## 19. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Rental in respect of land and buildings paid to a related company owned by Mr. CHONG and Mr. CHONG Wa Pan (note (i))	300	236

Notes:

**(i) Tenancy Agreement with a Related Company**

In 2014 and 2013, the Group entered into tenancy agreements with a company owned by Mr. CHONG and Mr. CHONG Wa Pan, for the lease of office premises for a term of one year commencing from 1 April 2014 until 31 March 2015 and from 1 April 2013 to 31 March 2014 at prevailing market rates respectively. Transactions were conducted with terms mutually agreed with the contracting parties pursuant to signed agreements.

## 20. SEASONALITY

The Group's sales are subject to seasonal fluctuation, with the demand for corrugated packaging products concentrated in the second-half year as resulting from higher demand for consumer products during the National Day Golden Week and the Christmas holiday. The effect of peak season is started in late of June each year, which led to rising of sales and the trade and bills receivables.

## 21. APPROVAL OF FINANCIAL STATEMENTS

The unaudited consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 November 2015.