Come Sure Group (Holdings) Limited
錦勝集團（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 794

Placing and Public Offer

Global Co-ordinator, Sole Bookrunner,
Lead Manager and Sponsor

匯富集團 KingswayGroup



* *For identification purpose only*

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



Come Sure Group (Holdings) Limited
錦勝集團（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

PLACING AND PUBLIC OFFER

Number of Offer Shares	:	**70,000,000 Shares**
Number of Placing Shares	:	**63,000,000 Shares (subject to re-allocation)**
Number of Public Offer Shares	:	**7,000,000 Shares (subject to re-allocation)**
Offer Price	:	**not more than HK$1.31 per Offer Share (payable in full on application and subject to refund, plus 1% brokerage, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee) and expected to be not less than HK$1.01 per Offer Share**
Nominal value	:	**HK$0.01 per Share**
Stock code	:	**794**

Global Co-ordinator, Sole Bookrunner, Lead Manager and Sponsor



Hong Kong Exchanges and Clearing Limited, The Stock Exchange and HKSCC take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified under the section headed "Documents delivered to the Registrar of Companies and available for inspection" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance of Hong Kong. The SFC and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any of the other documents referred to above.

The Offer Price is expected to be determined by the Price Determination Agreement to be made between the Company and Kingsway Financial (for itself and on behalf of the Underwriters) on or around Friday, 20 February 2009, and in any event, not later than Saturday, 21 February 2009. The Offer Price will not be more than HK$1.31 per Offer Share and is expected to be not less than HK$1.01 per Offer Share. Kingsway Financial (for itself and on behalf of the Underwriters and with the consent of the Company) may reduce the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such case, a notice of the reduction of the indicative Offer Price range will be published in The Standard (in English) and the Economic Journals (in Chinese), and on the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Public Offer. If applications for Public Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Public Offer, then even if the Offer Price range is so reduced, such applications cannot be subsequently withdrawn. Investors applying for Public Offer Shares must pay the maximum Offer Price of HK$1.31 per Offer Share, together with 1% brokerage, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee, subject to refund if the Offer Price, as finally determined, is lower than the maximum Offer Price of HK$1.31 per Offer Share. If, for any reason, the Offer Price is not agreed between the Company and Kingsway Financial (for itself and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus.

Prospective investors of the Offer Shares should note that Kingsway Financial (for itself and on behalf of the Public Offer Underwriters) shall have the right to terminate their obligations under the Public Offer Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set out under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in this prospectus at any time prior to 8:00 a.m. on the Listing Date. Such events include, but without limitation to, acts of God, war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, terrorism, strike or lockout involving Hong Kong, the PRC or any other jurisdiction.

* *For identification purpose only*

16 February 2009

If there is any change to the following expected timetable, the Company will issue a separate announcement.

2009

Latest time to lodge **PINK** Application Forms	4:00 p.m. on Wednesday, 18 February
Application lists open *(Note 2)*	11:45 a.m. on Thursday, 19 February
Latest time to lodge **WHITE** and **YELLOW** Application Forms	12:00 noon on Thursday, 19 February
Latest time to give **electronic application instruction** to HKSCC	12:00 noon on Thursday, 19 February
Application lists close *(Note 2)*	12:00 noon on Thursday, 19 February
Expected Price Determination Time *(Note 3)*	on or around Friday, 20 February
Announcement of the final Offer Price, the level of indication of interests in the Placing, the level of applications in the Public Offer, the basis of the allocation of the Public Offer Shares to be published (a) in The Standard (in English) and the Economic Journals (in Chinese); (b) on the website of the Company (www.comesure.com); and (c) on the website of the Stock Exchange (www.hkex.com.hk) on or before	Wednesday, 25 February
Results of allocations of the Public Offer and Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer to be available through a variety of channels as described in the section headed "How to Apply for Public Offer Shares – Publication of Results" including the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk and the website of Tricor Investor Services Limited at www.tricor.com.hk/ipo/result from	Wednesday, 25 February

Despatch/collection of Share certificates to wholly or partially successful applicants under the Public Offer on or before *(Note 4)* . . . . . Wednesday, 25 February

Despatch of refund cheques to wholly or partially successful applicants under the Public Offer on or before *(Note 4)* . . . . Wednesday, 25 February

Dealings in the Shares on the Stock Exchange expected to commence on . . . . . Thursday, 26 February

Notes:

1. All times and dates refer to Hong Kong local times and dates.

2. If a "**black**" rainstorm warning signal or a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 19 February 2009, the application lists will not open and close on that day. Please refer to the paragraph headed "Effect of bad weather on the opening of the application lists" on page 188 of this prospectus.

3. The Offer Price is expected to be determined by the Price Determination Agreement to be made between the Company and Kingsway Financial (for itself and on behalf of the Underwriters) on or around Friday, 20 February 2009, and in any event, not later than Saturday, 21 February 2009. The Offer Price will not be more than HK$1.31 per Offer Share and is expected to be not less than HK$1.01 per Offer Share. Kingsway Financial (for itself and on behalf of the Underwriters and with the consent of the Company) may reduce the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such case, a notice of the reduction of the indicative Offer Price range will be published in The Standard (in English) and the Economic Journals (in Chinese), and on the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Public Offer. If applications for Public Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Public Offer, then even if the Offer Price range is so reduced, such applications cannot be subsequently withdrawn. Investors applying for Public Offer Shares must pay the maximum Offer Price of HK$1.31 per Offer Share, together with 1% brokerage, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee, subject to refund if the Offer Price, as finally determined, is lower than the maximum Offer Price of HK$1.31 per Offer Share. If, for any reason, the Offer Price is not agreed between the Company and Kingsway Financial (for itself and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse.

   Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus.

   Prospective investors of the Offer Shares should note that Kingsway Financial (for itself and on behalf of the Public Offer Underwriters) shall have the right to terminate their obligations under the Public Offer Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set out under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in this prospectus at any time prior to 8:00 a.m. on the Listing Date. Such events include, but without limitation to, acts of God, war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, terrorism, strike or lockout involving Hong Kong, the PRC or any other jurisdiction.

4. Applicants who have applied on **WHITE** Application Forms for 1,000,000 Public Offer Shares or more may collect their Share certificate(s) and/or refund cheque(s) (if any) in person. In order to do so, applicants must tick the appropriate box on their **WHITE** Application Forms and provide the particulars specified in that form. These applicants may collect their Share certificate(s) and refund cheque(s) (if any) from the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, between 9:00 a.m. and 1:00 p.m. on Wednesday, 25 February, 2009. Applicants being individuals who opt for personal collection must not authorise any other persons to make their collection on their behalf. Applicants being corporations who opt for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations duly stamped with the corporations' chops. Both individuals and authorised representatives

of corporations (where applicable) must produce, at the time of collection, evidence of identity acceptable to the Company's branch share registrar.

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 Public Offer Shares or more may collect their refund cheque(s) (if any) in person but may not elect to collect their Share certificate(s), which will be deposited into CCASS for credit to their designated CCASS Participant stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedures for collection of refund cheque(s) for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants as set out above.

The Share certificate(s) and/or refund cheque(s) for applicants who apply on **PINK** Application Forms will be sent to the addresses indicated in their Application Forms on the date of despatch (which is expected to be on Wednesday, 25 February 2009), by ordinary post at their own risk.

In this prospectus, unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

Details of the structure of the Share Offer, including conditions thereof, are set out in the section headed "Structure and conditions of the Share Offer" on pages 178 to 183 in this prospectus.

Share certificates will only become valid certificates of title of the Shares to which they relate provided that the Share Offer has become unconditional in all respect and the Underwriting Agreements have not been terminated in accordance with their terms at any time prior to 8:00 a.m. on the Listing Date. Investors who trade the Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.

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You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision.

The Company has not authorised anyone to provide you with information that is different from what is contained in this prospectus and the Application Forms.

Any information or representation not made in this prospectus and the Application Forms must not be relied on by you as having been authorised by the Company, the Sponsor, Kingsway Financial, any of the Underwriters, the respective directors, officers, employees, agents or representatives of any of them or any other parties involved in the Share Offer.

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This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

INTRODUCTION

The Group is principally engaged in the manufacturing and sale of corrugated paperboards and paper-based packaging products to customers which are manufacturers with production base in the PRC for approximately 20 years. Founded in Hong Kong, the Group began the manufacturing and sale of corrugated cartons in 1989 and corrugated paperboards in 1992.

The following table sets forth a breakdown of the Group's turnover by products during the Track Record Period:

	Year ended 31 March						Six months ended 30 September	
	2006		2007		2008		2008	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Corrugated paperboards	251,723	43.8	271,198	42.2	325,311	48.9	162,125	41.3
Paper-based packaging products	307,627	53.5	355,412	55.2	324,390	48.7	220,683	56.3
Substandard paperboards and scraps	15,521	2.7	16,588	2.6	15,966	2.4	9,375	2.4
Total	574,871	100	643,198	100	665,667	100	392,183	100

The Directors believe that the Group is competitive and well positioned in the industry in view of the Group's product range including corrugated paperboards, paper-based packaging products, substandard paperboards and scraps, long-term relationship with customers of international recognised brand name and suppliers as well as in-depth knowledge and experience of the Group's management in the corrugated packaging products business.

Customers of the Group's corrugated paperboards include manufacturers of corrugated carton. Customers of the Group's paper-based packaging products mainly include consumer products manufacturers of renowned brands in various industries such as electronic and electrical appliances, garment, furniture, food and beverages, toys, medicine as well as audio and video products, and/or their manufacturing arm or OEM who

use the Group's products for packaging purposes. The Group has established long-term business relationship with consumer products manufacturers of international brands such as Philips (飛利浦) in electronic appliances, audio and video products industry, Jinlongyu (金龍魚) in food and beverages industry. In addition, the Group sells its substandard paperboards and scraps to corrugated carton manufacturers, paper mills and scrap dealer.

In order to satisfy specific product requirements and production schedules of customers, the Group provides or advises them on the structural design of corrugated carton.

During the Track Record Period, the Group was one of the largest customers of the Lee & Man Group and the Nine Dragons Group, two leading paper mills in the PRC and the shares of each of their respective holding company are listed on the Main Board. The Group has established long-term business relationship and entered into bi-monthly or quarterly purchase agreements with its major suppliers and thus is able to stabilise the cost and supply of raw papers.

The Group has established its production base which is composed of the Three Production Plants in Shenzhen in the PRC with an aggregate annual production capacity of approximately 284 million sq.m. of corrugated paperboards and approximately 250 million pieces of corrugated cartons. A new production plant is expected to be built in Huizhou, Guangdong Province, the PRC by July 2010. Production is expected to commence by October 2010, contributing to the Group an additional annual production capacity of corrugated paperboards of approximately 100 million sq.m. and corrugated cartons of approximately 100 million pieces, and a new annual production capacity of moulded pulps of approximately 1,000 tonnes as well.

COMPETITIVE STRENGTHS

The Group considers that its achievements are principally attributable to the following competitive strengths of the Group:

- Long operating history and good reputation in the packaging industry
- Solutions for paper-based packaging products
- Diversified and strong customer base
- Strong production capability
- Good relationship with suppliers
- Stringent quality control
- Strong management team with in-depth knowledge in the paper-based packaging industry

TRADING RECORD DURING THE TRACK RECORD PERIOD

The following table summarises the combined results of the Group during the Track Record Period, which are prepared on the assumption that the current corporate structure had been in existence throughout the Track Record Period and is extracted from, and has been prepared in accordance with the basis set forth in the section headed "G. Notes to financial information" of the Accountants' Report of the Group in Appendix I to this prospectus. Certain financial information on the CSI Group is set forth in the Accountants' Report of the CSI Group in Appendix II to this prospectus.

Consolidated income statements

		Year ended 31 March			Six months ended 30 September	
		2006	2007	2008	2007	2008
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
Turnover	*1*	574,871	643,198	665,667	333,134	392,183
Cost of goods sold		(466,293)	(517,840)	(524,737)	(271,222)	(312,799)
Gross profit		108,578	125,358	140,930	61,912	79,384
Other income		2,966	1,761	2,412	1,371	1,081
Selling expenses		(18,422)	(21,378)	(19,078)	(9,450)	(13,178)
Administrative expenses		(35,619)	(38,667)	(48,877)	(19,596)	(23,442)
Other operating expenses		(2,439)	(4,599)	(1,343)	(1,266)	(143)
Profit from operations		55,064	62,475	74,044	32,971	43,702
Finance costs		(7,361)	(9,982)	(6,841)	(3,606)	(2,255)
Profit before tax		47,703	52,493	67,203	29,365	41,447
Income tax expense		(1,648)	(3,201)	(5,908)	(3,122)	(3,564)
Profit for the year/period		46,005	49,292	61,295	26,243	37,883
Dividends		60,000	30,000	40,000	–	–
Earnings per Share						
Basic	*2*	24.46 cents	23.87 cents	29.19 cents	12.50 cents	18.04 cents

Notes:

1. Turnover represents net invoiced value of goods sold to customers during the Track Record Period.

2. The basic earnings per Share is calculated based on the audited consolidated profit for the year/period and the weighted average number of 188,265,000, 206,486,700, 210,000,000, 210,000,000 and 210,000,000 Shares (taken into account 209,990,000 Shares to be issued pursuant to the Capitalisation Issue) for the three years ended 31 March 2008 and the six months ended 30 September 2007 and 2008 respectively.

   No diluted earnings per Share have been presented as the Group did not have any dilutive potential shares during the Track Record Period.

Consolidated balance sheets

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Prepaid land lease payments	1,607	4,694	5,163	5,197
Property, plant and equipment	128,475	131,195	130,997	126,517
Investment properties	420	420	420	420
Club membership	366	366	366	366
	130,868	136,675	136,946	132,500
Current assets				
Inventories	68,580	51,016	77,277	66,518
Trade and other receivables	155,447	152,899	172,384	204,928
Prepaid land lease payments	40	393	215	222
Due from related companies	6,559	200	–	–
Current tax assets	236	78	–	–
Pledged bank deposits	26,436	34,529	37,841	39,378
Bank and cash balances	49,629	39,728	56,148	48,131
	306,927	278,843	343,865	359,177
Current liabilities				
Trade and other payables	63,195	77,236	97,462	79,530
Due to a related company	–	240	–	–
Due to a director	18,150	–	–	–
Dividend payable	–	–	40,000	–
Short term bank borrowings	185,133	100,766	81,973	105,666
Current tax liabilities	7,770	9,187	3,643	3,383
Current portion of long term borrowings	5,869	5,047	5,539	5,185
	280,117	192,476	228,617	193,764
Net current assets	26,810	86,367	115,248	165,413
Total assets less current liabilities	157,678	223,042	252,194	297,913

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current liabilities				
Deferred tax liabilities	817	1,885	2,285	2,885
Long term borrowings	4,023	6,891	8,436	5,843
	4,840	8,776	10,721	8,728
NET ASSETS	152,838	214,266	241,473	289,185
Capital and reserves				
Share capital	–	–	–	–
Reserves	152,838	214,266	241,473	289,185
TOTAL EQUITY	152,838	214,266	241,473	289,185

SHARE OFFER STATISTICS

Audited profit for the year ended 31 March 2008	HK$61.3 million
Unaudited pro forma earnings per Share *(Note 1)*	Approximately 21.9 cents

	Based on the Offer Price of HK$1.01	**Based on the Offer Price of HK$1.31**
Market capitalisation *(Note 2)*	Approximately HK$282.8 million	Approximately HK$366.8 million
Price/earnings multiple *(Note 3)*	Approximately 4.6 times	Approximately 6.0 times
Unaudited pro forma adjusted net tangible asset value per Share	Approximately HK$1.21	Approximately HK$1.28

Notes:

1. The unaudited pro forma earnings per Share is calculated based on the audited profit for the year ended 31 March 2008 assuming that the Shares had been listed since 1 April 2007 and a total of 280,000,000 Shares had been in issue throughout that financial period, but not taken into account any Shares which may be allotted and issued pursuant to any options which may be granted under the Share Option Scheme.

2. The market capitalisation of the Company is calculated based on the minimum and maximum Offer Price and a total of 280,000,000 Shares in issue and to be issued immediately after completion of the Share Offer and the Capitalisation Issue. Such number of Shares does not take into account of any Shares which may fall to be allotted and issued pursuant to any options which may be granted under the Share Option Scheme.

3. The price/earnings multiple is calculated based on the pro forma unaudited earnings per Share of approximately HK$0.219 for the year ended 31 March 2008, the Offer Price of HK$1.01 per Share and HK$1.31 per Share and on the basis of 280,000,000 Shares in issue as referred to in Note 1.

4. The unaudited pro forma adjusted net tangible asset value per Share is arrived at after making the adjustments referred to in Appendix III to this prospectus and on the basis of 280,000,000 Shares in issue and to be issued immediately after completion of the Share Offer and the Capitalisation Issue but takes no account of any Shares which may fall to be allotted and issued pursuant to any options which may be granted under the Share Option Scheme.

DIVIDENDS AND DIVIDEND POLICY

For the three years ended 31 March 2008 and the six months ended 30 September 2008, dividends of approximately HK$60 million, HK$30 million, HK$40 million and nil respectively were made out of the internal resources of the Group.

It is the present intention of the Directors that the Company will declare interim and/or final dividends equivalent to approximately 30% to 40% in total of the audited consolidated profit for the year of the Group each year for the two years ending 31 March 2010, whilst the amount of dividends to be declared will be subject to, the full discretion of the Directors, taking into consideration, among others, the amount of earnings, financial position, cash requirements and availability of the Group as well as the provisions of applicable laws and regulations and other relevant factors. Potential investors should note that historical dividend distributions are not indicative of the future dividend distribution policy of the Company.

FUTURE PLANS

In view of the high economic growth in the PRC, the Directors are of the view that the demand for consumer products in the PRC will continue to increase, which in turn will increase the demand for corrugated paperboards and paper-based packaging products for consumer products. As such, the Group's objective is to strengthen its market position in the packaging industry. In addition, the Group intends to enlarge its production capacity as the utilisation rate of most of the production lines of corrugated paperboards and/or corrugated cartons in the First Production Plant and the Second Production Plant can reach around 70% during peak season. To achieve this objective, the Directors have formulated the following strategies:

Expansion of the existing production facilities

In order to capture the increasing market demand, strengthen competitive edges and achieve economies of scale, the Group intends to invest HK$5 million from the net proceeds of the Share Offer in expanding its production capacity of corrugated cartons by installing two sets of flexo-printing machines which, as expected by the Directors, will cost approximately HK$11 million and will contribute an additional annual production capacity of corrugated cartons of approximately 40 million pieces to the Group.

Establishment of a new production plant in Huidong County in Huizhou in Guangdong Province, the PRC

With a view to cope with the expected demand, the Group intends to establish a new production plant in Huidong County in Huizhou of the Guangdong Province, the PRC. The total investment costs of the new production plant is estimated to be approximately HK$100 million, comprising land costs of approximately HK$26 million, construction costs of approximately HK$40 million and costs of equipment and machinery of approximately HK$34 million. Such investment is expected to be partially financed by the net proceeds from the Share Offer. The Group has entered into an agreement with Mr. Chong to acquire the entire issued share capital of Century Shiny, and through which to obtain the land use right of the Huidong Land for establishing the aforesaid new production plant. For details please refer to the paragraphs headed "History and Development" in the section headed "Business" to this prospectus.

One production line of corrugated paperboards, three production lines of corrugated cartons and one production line of moulded pulps are planned to be built in the new production plant contributing to the Group an additional annual production capacity of corrugated paperboards of approximately 100 million sq.m. and corrugated cartons of approximately 100 million pieces, and a new annual production capacity of moulded pulps of approximately 1,000 tonnes as well.

The Three Production Plants in Shenzhen will mainly continue to serve customers located in the west of Dongguan and Baoan District in Shenzhen in Guangdong Province, the PRC whereas the new factory in Huidong will mainly serve customers located in the east of Dongguan, Huizhou and Chaoshan region in Guangdong Province, the PRC. The Directors believe that the new production plant can facilitate the Group to expand its market share in Guangdong Province, diversify its customer base and increase its source of revenue.

Research and development

The Group will continue to devote resources to enhancing its product research and development capability. The Group intends to increase headcount engaging in research and development team and provide them with training. In addition, the Group will purchase and upgrade the equipment in its laboratories in order to strengthen its capability in product testing, design, research and development.

PROPOSED USE OF NET PROCEEDS

The net proceeds from the Share Offer received by the Company, after deducting the estimated expenses payable by the Company in relation to the Share Offer, are estimated to be approximately HK$61 million (assuming an Offer Price of HK$1.16, being the mid-point of the Offer Price range set out in this prospectus). The Directors intend to apply the net proceeds from the Share Offer for the following purposes:

- approximately HK$5 million for the expansion of the existing production facilities;
- approximately HK$49 million for the establishment of a new production plant in Huidong;
- approximately HK$1 million for the employment and training of new staff and purchase of new equipment in order to strengthen the Group's research and development capability; and
- the balance of approximately HK$6 million as general working capital.

In the event that the Offer Price is set at HK$1.01, HK$1.31 or any price in between, the Directors will apply the net proceeds in the manner and proportion as shown above. Any shortfall is intended to be financed by internal resources of the Group.

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes or if the Company is unable to effect any part of its future development plans as intended, the Company may hold such funds in short-term deposits with banks and/or financial institutions for so long and in a manner as it is in its best interests.

SUMMARY OF RISK FACTORS

The Directors consider that business and operations of the Group are subject to a number of risk factors that may be broadly categorised into: (i) risks relating to the Group; (ii) risks relating to the industry in which the Group operates; (iii) risks relating to the PRC; (iv) risks relating to the Shares; and (v) risks relating to certain information contained in this prospectus, which are summarised as follows:

(i) Risks relating to the Group

- Substantial operations in and substantial revenue from Guangdong Province, the PRC
- Reliance on major suppliers
- Reliance on key management personnel
- No long-term sales agreements with most of the customers
- Leased production plants
- Termination or non-renewal of the Processing Arrangement
- Liabilities assured under the Processing Arrangement
- Employees' claim for underpaid social security contribution
- Seasonal factors
- Dividend policy
- No insurance on product liability
- Dilution in the earnings per Share and net assets value per Share may be resulted from granting share options under the Share Option Scheme
- Revocation of tax benefits

– Newly enacted PRC employment contract law may increase labour costs

– Environmental protection

– Business plans may be delayed or may not materialise

– The Group may experience difficulties managing its growth

– The Group may be adversely affected by the recent economic crisis in the world

(ii) Risks relating to the industry in which the Group operates

– Pricing of raw paper

– Competition

(iii) Risks relating to the PRC

– Economic, social and legal considerations

– Currency conversion

– Epidemics, acts of war and other disasters

(iv) Risks relating to the Shares

– An active market for the Shares may not develop or be sustained

(v) Risks relating to certain information contained in this prospectus

– Statistics and industry information

– Forward-looking statements contained in this prospectus may not materialise

In this prospectus, unless the context requires otherwise, the following terms and expressions shall have the following meanings:

"Accountants' Report of the Group"	the accountants' report of the Group for the three years ended 31 March 2008 and the six months ended 30 September 2008 prepared by RSM Nelson Wheeler as set out in Appendix I to this prospectus
"Accountants' Report of the CSI Group"	the accountants' report of the CSI Group for the period from date of incorporation to 31 March 2006, the years ended 31 March 2007 and 2008 and the six months ended 30 September 2008 prepared by RSM Nelson Wheeler are set out in Appendix II to this prospectus
"Application Form(s)"	the **WHITE** Application Form(s), **YELLOW** Application Form(s) and **PINK** Application Form(s) or, where the context so requires, any of them
"Articles"	the articles of association adopted by the Company pursuant to the written resolutions passed by the sole Shareholder dated 5 February 2009
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Avian Flu"	avian influenza, or "bird flu", a contagious disease of animals caused by viruses that normally infect only birds and, less commonly, pigs. Avian influenza viruses are highly species-specific, but have, on rare occasions, crossed the species barrier to infect humans
"Board"	the board of Directors
"Bright Leader Shenzhen"	Bright Leader Trading (Shenzhen) Company Limited (耀駿貿易(深圳)有限公司), a wholly foreign-owned enterprise established in the PRC with limited liability on 27 July 2007 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Bright Leader Holdings
"Bright Leader Holdings"	Bright Leader Holdings Limited, a company incorporated in Hong Kong with limited liability on 2 February 2005 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Jumbo Match

"Business Agent"	Shenzhen Baoan Hong Bin Industry Company Limited (深圳寶安鴻彬實業有限公司), the business agent under the Processing Arrangement and an Independent Third Party
"BVI"	the British Virgin Islands
"CAGR"	compound average growth rate
"Capitalisation Issue"	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company referred to in the paragraph headed "Written resolutions of the sole Shareholder passed on 5 February 2009" in Appendix VI to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
"Century Shiny"	Century Shiny Investment Limited, a company incorporated in Hong Kong with limited liability on 29 August 2005. Century Shiny was an indirect wholly-owned subsidiary of the Company until 28 November 2006 when its entire issued share capital was acquired by Mr. Chong from the Company and was wholly-owned by Mr. Chong and has again become an indirect wholly-owned subsidiary of the Company when Jumbo Match acquired its entire issued share capital from Mr. Chong, which was completed on 2 February 2009

"Chance Bright"	Chance Bright Limited – Macao Commercial Offshore, a company incorporated in Macau with limited liability on 25 January 2005 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Come Sure Holdings
"China Apex"	China Apex Investment Limited, a company incorporated in Hong Kong with limited liability on 18 October 2005. China Apex was an indirect wholly-owned subsidiary of the Company until 28 November 2006 when Mr. Chong acquired its entire issued share capital from the Company and is wholly-owned by Mr. Chong
"China Packaging Federation"	a publisher of China Packaging Yearbook, one of the national industry federations with the approval of the State Council, the predecessor of which is China Packaging Technology Association which was established in 1980. It (i) carries out investigation and research in the packaging industry; (ii) originates the publications on packaging industry; and (iii) carries out the policies on packaging industry from the PRC Government and assists the relevant departments of the State Council in comprehensively administrating and guiding the packaging industry
"CHONG Family Trust"	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 which 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. Ms. Chan Po Ting is the spouse of Mr. Chong whereas Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam are the sons of Mr. Chong
"Come Sure Development"	Come Sure Development Limited, a company incorporated in Hong Kong with limited liability on 20 October 1987 and an indirect wholly-owned subsidiary of the Company owned as to 99.99% by Central Master Limited and as to 0.01% by Central Dragon Limited
"Come Sure Holdings"	Come Sure Holdings Limited, a company incorporated in the BVI with limited liability on 18 August 1995 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Jumbo Match

"Come Sure Huizhou"	Huizhou Come Sure Packing Products Company Limited (惠州錦勝包裝有限公司), a wholly foreign owned enterprise established in the PRC with limited liability on 23 January 2006 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Century Shiny
"Come Sure Macau"	Come Sure Group Limited – Macao Commercial Offshore, a company incorporated in Macau with limited liability on 25 January 2005 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Come Sure Holdings
"Come Sure Shenzhen"	Come Sure Packing Products (Shenzhen) Company Limited (錦勝包裝(深圳)有限公司), a wholly foreign owned enterprise established in the PRC with limited liability on 23 December 1992 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Come Sure Development
"Company"	Come Sure Group (Holdings) Limited (錦勝集團(控股)有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on 10 March 2006
"Companies Law"	the Companies Law (2007 Revision) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules; in respect of the Company, "Controlling Shareholders" means Perfect Group and Mr. Chong
"CPPMP"	China Pulp and Paper Magazines Publisher, a magazine press which is mainly responsible for editing, publishing and issuing of magazines namely China Paper Newsletter, China Pulp & Paper, World Pulp and Paper and Transactions of China Pulp and Paper. CPPMP organises activities of choosing the best published papers in China Pulp & Paper annually in order to strengthen and improve the quality of the published papers in China Pulp & Paper. China Paper Newsletter organises activity of choosing the top ten important news in the paper industry in China annually by inviting experts, scholars and officers in the paper industry and relative field to choose the events in order to promote the development of the paper industry in China

* *For identification purpose only*

"CSI Group"	Century Shiny and its subsidiary, Come Sure Huizhou
"Director(s)"	the director(s) of the Company
"Eligible Employees"	full-time employees of the Group (excluding the Directors or the chief executives of the Company and its subsidiaries, the existing beneficial owners of the Shares and their respective associates)
"First Production Plant"	the production plant owned by Come Sure Shenzhen with a total gross floor area of approximately 14,256 sq.m. and situated in Shajing Town, Baoan District in Shenzhen, the PRC
"Global Co-ordinator" or "Sole Bookrunner" or "Lead Manager" or "Kingsway Financial"	Kingsway Financial Services Group Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities (as defined under the SFO), acting as the global co-ordinator, sole bookrunner and lead manager of the Share Offer
"Grand View"	Grand View Enterprises Group Limited, a company incorporated in the BVI with limited liability on 2 January 2002 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Jumbo Match
"Group"	the Company and its subsidiaries or, where the context otherwise requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company or some or any of them
"HKCPMA"	Hong Kong Corrugated Paper Manufacturers' Association, a core organisation of the trading of paper products established in Hong Kong in 1965 to protect the interests of its members in the PRC. HKCPMA, through the assistance of the Liaison Office of the C. P. G. in Hong Kong, arranges interview reception and/or visits the China government offices, among others, the State Council, Customs General Administration, State Administration of Taxation, to reflect members' views in the related commercial activities
"HKSCC"	Hong Kong Securities Clearing Company Limited

"HKSCC Nominees"	HKSCC Nominees Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huidong Land"	a piece of land with site area of approximately 105,845.42 sq.m. in Huidong County in Huizhou in Guangdong Province in the PRC for construction of a new production plant
"ICCA"	International Corrugated Case Association, an association formed in 1961 which collects and disseminates information about corrugated products, services and resources throughout the world and gathers, compiles and disseminates statistical information and forecasts with respect to the worldwide corrugated container industry
"Independent Third Party(ies)"	a party(ies) which is(are) not connected with the Directors, the chief executives and the substantial Shareholders of the Company and its subsidiaries and their respective associates
"Jumbo Match"	Jumbo Match Limited, a company incorporated in the BVI with limited liability on 9 September 2005 and a wholly-owned subsidiary of the Company
"Keen Rise"	Keen Rise International Development Limited, a company incorporated in Hong Kong with limited liability on 21 February 2008 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Jumbo Match
"Kingsway Capital" or "Sponsor"	Kingsway Capital Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities (as defined under the SFO), acting as the sponsor to the proposed Listing
"Latest Practicable Date"	9 February 2009, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information in this prospectus

"Lee & Man Group"	Lee & Man Paper Manufacturing Limited (stock code: 2314), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board, and its subsidiaries, being Independent Third Parties
"Listing"	the listing of the Shares on the Main Board
"Listing Committee"	the listing sub-committee of the Stock Exchange
"Listing Date"	the date on which dealings in the Shares on the Main Board commence
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Macau Legal Advisers"	Teresa Teixeira da Silva, Advogada, the legal advisers of the Company as to the Macau laws
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market ("GEM") of the Stock Exchange. For the avoidance of doubt, the Main Board excludes GEM
"Memorandum"	the memorandum of association of the Company
"Mr. Chong"	Mr. Chong Kam Chau, the founder, executive Director, President of the Group and Chairman of the Board
"NDRC"	National Development and Reform Commission
"Nine Dragons Group"	Nine Dragons Paper (Holdings) Limited (stock code: 2689), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board, and its subsidiaries, being Independent Third Parties
"OEM"	original equipment manufacturer

"Offer Price"	the Hong Kong dollar price per Share (exclusive of 1% brokerage, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee payable thereon) at which the Offer Shares are to be offered for subscription under the Share Offer, such price will not be more than HK$1.31 per Share and is expected to be not less than HK$1.01 per Share and to be agreed and determined as described in the paragraph headed "Determinating the Offer Price" under the section headed "Structure and conditions of the Share Offer" to this prospectus
"Offer Shares"	the Placing Shares and the Public Offer Shares
"Perfect Group"	Perfect Group Version Limited, a company incorporated in the BVI with limited liability, the entire issued shares of which 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
"Placing"	the placing of the Placing Shares by the Placing Underwriters on behalf of the Company at the Offer Price with professional, institutional and other investors as described in the section headed "Structure and conditions of the Share Offer" to this prospectus
"Placing Shares"	63,000,000 new Shares initially being offered for subscription under the Placing, subject to re-allocation as described in the section headed "Structure and conditions of the Share Offer" to this prospectus
"Placing Underwriter(s)"	the underwriter(s) of the Placing Shares set out in the sub-section headed "Placing Underwriters" under the section headed "Underwriting" to this prospectus
"Placing Underwriting Agreement"	the conditional placing underwriting agreement to be entered into between on or around Thursday, 19 February 2009, among others, the executive Directors, the Company, the Global Co-ordinator, the Sponsor, the Placing Underwriters relating to the Placing
"PRC" or "China"	the People's Republic of China which, for the purposes of this prospectus only, excluding Hong Kong, the Macau and Taiwan
"PRC Legal Advisers"	Shu Jin Law Firm, the legal advisers of the Company as to the PRC laws

"PRC Party"	Shenzhen Fu Cheng Industry Company Limited (深圳市寶安富城實業有限公司), a party under the Processing Agreement who is responsible for the set up of the Processing Partner for the manufacturing of goods under the Processing Arrangement. The PRC Party is an Independent Third Party
"Price Determination Agreement"	the agreement to be entered into between the Company and Kingsway Financial (for itself and on behalf of the Underwriters) on or about the Price Determination Time to record and fix the Offer Price
"Price Determination Time"	the time, expected to be on or about Friday, 20 February 2009, and in any event, not later than Saturday, 21 February 2009, at which the Offer Price is fixed for the purposes of the Share Offer
"Processing Agreement"	an agreement dated 22 September 2002 (as supplemented by various supplemental agreements from time to time the principal terms of all of which were relating to the provision of fixed assets to the Third Production Plant by Wah Ming for production) in relation to the Processing Arrangement
"Processing Arrangement"	the processing arrangement pursuant to the Processing Agreement in relation to the subsisting processing arrangement between Wah Ming and the Processing Partner, details of which are set out in the sub-section headed "The Processing Arrangement" under the section headed "Business" to this prospectus
"Processing Partner"	Hua Yi Printing Factory (華藝印刷廠), a processing factory with supplied material (來料加工廠) situated at Shajing Town, Baoan District, Shenzhen, the PRC which, as advised by the PRC Legal Advisers, is a non-legal person (非法人機構) formed by the PRC Party and Wah Ming on 6 January 2003 pursuant to the Regulation of Guangdong Province on the Foreign Processing and Assembling Business (廣東省對外加工裝配業務條例) for the manufacturing of products of Wah Ming under the Processing Arrangement. The Processing Partner is an Independent Third Party

"Public Offer"	the offer of the Public Offer Shares for subscription by members of the public in Hong Kong for cash at the Offer Price, payable in full on application and subject to the terms and conditions as described in the section headed "Structure and conditions of the Share Offer" to this prospectus
"Public Offer Shares"	7,000,000 new Shares initially being offered for subscription under the Public Offer, subject to re-allocation as described in the section headed "Structure and Conditions of the Share Offer" to this prospectus
"Public Offer Underwriter(s)"	the underwriter(s) of the Public Offer Shares set out in the sub-paragraph "Public Offer Underwriters" under the section headed "Underwriting" in this prospectus
"Public Offer Underwriting Agreement"	the conditional public offer underwriting agreement dated Friday, 13 February 2009 entered into between, among others, the executive Directors, the Company, the Global Co-ordinator, the Sponsor and the Public Offer Underwriters relating to the Public Offer
"Rich Growth"	Rich Growth Investments Limited, a company incorporated in the BVI with limited liability on 16 February 2006. Rich Growth is an Independent Third Party
"Reorganisation"	the corporate reorganisation of the Group in preparation for the listing of the Shares as described under the paragraph headed "Corporate reorganisation" in Appendix VI to this prospectus
"SARS"	the severe acute respiratory syndrome
"Second Production Plant"	the production plant leased by Come Sure Shenzhen with a total gross floor area of approximately 46,457 sq.m. and situated at Shajing Town, Baoan District in Shenzhen, the PRC
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company

"Share Offer"	the issue of the Offer Shares for subscription at the Offer Price under the Placing and the Public Offer
"Share Option Scheme"	the share option scheme conditionally adopted by the Company on 5 February 2009, a summary of its principal terms is set out under the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus
"Shareholder(s)"	the holder(s) of the Shares
"State" or "Government"	the government of the PRC
"State Council"	the State Council of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning as defined in the Companies Ordinance
"Substantial Shareholders"	has the meaning ascribed to it under the Listing Rules
"Third Production Plant"	the production plant leased by the Processing Partner with a total gross floor area of approximately 27,621 sq.m. and situated at Shajing Town, Baoan District in Shenzhen, the PRC
"Three Production Plants"	the First Production Plant, the Second Production Plant and the Third Production Plant
"Track Record Period"	the period comprising the three years ended 31 March 2008 and the six months ended 30 September 2008
"UK"	the United Kingdom of Great Britain and Northern Ireland
"Underwriters"	the Placing Underwriters and the Public Offer Underwriters
"Underwriting Agreements"	the Placing Underwriting Agreement and the Public Offer Underwriting Agreement
"US" or "United States"	the United States of America

"Wah Ming"	Wah Ming International Limited, a company incorporated in Hong Kong with limited liability on 3 July 2002 and an indirect wholly-owned subsidiary of the Company owned as to 100% by Grand View
"WTO"	World Trade Organisation
"kg"	kilogram
"km"	kilometre
"m"	metre
"sq.m."	square metre
"HK$" and "cents"	Hong Kong dollar and cent, respectively, the lawful currency of Hong Kong
"MOP"	Macau pataca, the lawful currency of Macau
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollar, the lawful currency of the United States
"%"	per cent.

In this prospectus, for illustration purposes only and unless otherwise specified, conversions of US$ and RMB into HK$ are based on the approximate exchange rates of US$1.00 to HK$7.80 and RMB0.88 to HK$1. No representation is made that any amounts in RMB, US$ or HK$ have been or could be converted at the above rates or at any other rates at all.

For ease of reference, the names of the companies and entities established in the PRC under PRC laws and regulations have been included in this prospectus in both Chinese and English. In the event of any inconsistency, the Chinese versions shall prevail.

This glossary contains explanations of certain terms used in this prospectus in connection with the business of the Group. The terminology and their meanings may not correspond to standard industry meanings or usage of those terms.

"corrugated carton"	a box made from corrugated paperboard after die-cutting which is mainly used for storing goods. Cartons are usually made from single-wall and double-wall corrugated paperboard
"corrugated medium"	wavy, fluted paper which is glued to linerboard to produce a corrugated paperboard
"corrugated paperboard"	paperboard made of paper and has an arched layer, called "fluting" or "corrugated medium", between smooth sheets, called "linerboard". Corrugated paperboard may be classified according to the number of ply of corrugated medium paper
"corrugated paperboard production line", or a "corrugator"	an automated production line comprising machinery which presses corrugations into the paperboard to form corrugated paperboard
"die-cutting"	the process of cutting material to a specific design or shape
"double-wall corrugated board"	corrugated board which consists of two plies of corrugated medium which are glued together by one ply of unfluted paper or cardboard and the exposed outer surfaces of which are each covered with one ply of liner
"flexo printing"	the most commonly used printing technique on packaging materials which involves the use of a hard cylinder to dispose of a measured amount of ink upon the surface of the flexible printing plate which will then be transferred on the printing surface
"ISO"	acronym for a series of quality management and quality assurance standards published by the International Organisation for Standardisation, a non-government organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations

"ISO 9001 or ISO 9002"	a constituent part of the ISO 9000 series which covers areas of management responsibility; quality system; contract review; document and data control; purchasing; control of customer's supplied-products, product identification and traceability; process control; inspection and testing; measuring and equipment testing; control of non-conforming product; corrective and preventive action; handling; storage; packaging preservation and delivery; control of quality records; internal quality audits; training; servicing and statistical techniques
"ISO 14001"	a constituent part of ISO 14000 series, which is an international standard developed for incorporating environmental aspects into operations and product standards, and it specifies requirements for establishing an environmental policy, determining environmental aspects and impacts of products or activities or services, planning environmental objectives and measurable targets, implementation and operation of programs to meet objectives and targets, checking and corrective action and management review
"kraftlinerboard"	a high grade linerboard manufactured wholly or partially by kraft pulp
"liner" or "linerboard"	inner or outer smooth sheet to which corrugated medium is glued to produce a corrugated paperboard major types of linerboard include kraftlinerboard and white top linerboard
"moulded pulp"	thin-shell container which is made of recycled materials such as recycled paper as cushioning material inside a packaging carton
"multiple-wall corrugated board"	corrugated board which consists of more than two plies of corrugated medium which are glued together by unfluted papers or cardboards and the exposed outer surfaces of which are each covered with one ply of liner
"offset printing"	a printing technique based on the non-repulsion of oil and water. Under this technique, images and texts are transferred from a plate to a rubber blanket and then to the printing surface

"pallet"	a large tray or platform for carrying goods which are being lifted or placed in storage, especially one that can be raised by a fork-lift truck
"RoHS"	Restriction of Hazardous Substances in Electrical and Electronic Equipment, being standard which forbids the use of six hazardous metals in electrical and electronic equipment
"single-wall corrugated board"	corrugated board which consists of one ply of corrugated medium which is glued between two plies of liner

Potential investors should carefully consider all information set out in this prospectus and, in particular, the following risks and special considerations associated with an investment in the Company before making any investment decision in relation to the Company. The business, financial condition or results of operations of the Group could be materially and adversely affected by any of these risks. The trading price of the Offer Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO THE GROUP

Substantial operations in and substantial revenue from Guangdong Province, the PRC

The Group conducted substantially all of its operations in Guangdong Province and substantially all of its revenue are attributable to the demand from Guangdong Province, the PRC during the Track Record Period. Therefore, the Group's operations and business are vulnerable to, and may be adversely affected by, any unfavorable change in the economic environment or decline in the demand of its products in Guangdong Province.

Reliance on major suppliers

Raw paper is the principal raw material of the Group's products. The five largest suppliers of the Group during the Track Record Period, including Nine Dragons Group and Lee & Man Group, were suppliers of raw paper and some of which have been selling raw paper to the Group for five to ten years, the purchases from which accounted for approximately 64.4%, 67.7%, 76.5% and 66.7% of the total cost of goods sold of the Group for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively. Purchase from the largest supplier of the Group accounted for about 40.9%, 44.7%, 42.4% and 35.8% respectively of the Group's total cost of goods sold for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively. Should any of those major suppliers cease to supply raw paper to the Group and the Group is unable to find suitable replacements, the Group's business operation may be adversely affected.

Reliance on key management personnel

The future prospect of the Group relies on the key senior management personnel who plays major roles in the operation and development of the Group. The success of the Group will, to a certain extent, depends on whether the Group can continue to retain those competent key personnel. In particular, Mr. Chong, the founder, an executive Director, President of the Group and the Chairman of the Board, has almost 20 years of experience and knowledge in the corrugated paper packaging industry and packaging requirements of various industries such as electronic appliances, food and beverages as well as garment. Should the Group fail to retain those competent key personnel or recruit competent replacement, its operation and future development may be adversely affected.

No long-term sales agreements with most of the customers

The Group has not entered into long-term sales agreements with most of the customers. If any of these customers, particularly the major customers, materially reduce their orders from the Group, the business and financial performance of the Group may be adversely affected.

Leased production plants

The Group and the Processing Partner currently carry out their production in the Three Production Plants. The Second Production Plant and the Third Production Plant are occupied on a leasehold basis by the Group and the Processing Partner respectively. Should the Group or the Processing Partner fail to renew the respective lease agreements and fail to relocate the production lines to suitable sites, the business operation of the Group may be adversely affected.

Termination or non-renewal of the Processing Arrangement

Certain products of the Group, in particular, offset printed cartons are manufactured by the Processing Partner under the Processing Arrangement. The terms of the Processing Arrangement will expire on 22 September 2012. Turnover generated from the products manufactured under the Processing Arrangement amounted to approximately HK$96.9 million, HK$109.4 million, HK$112.8 million and HK$68.1 million, contributing to approximately 16.9%, 17.0%, 16.9% and 17.4% of the Group's total turnover for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively. In the event that the Processing Arrangement is terminated by the PRC Party before the expiry date or not renewed upon expiry, resulting delay in the production schedule of the products supposed to be manufactured under the Processing Arrangement, the Group's business operation may be adversely affected.

Liabilities assured under the Processing Arrangement

As advised by the PRC Legal Advisers, under the Processing Arrangement, the Processing Partner is responsible for any claims or liabilities with regard to work safety, environmental protection and labour related issues of it or any other reasons under the applicable PRC laws and regulations. In light of the management and supervisory roles assumed by the Group in relation to the overall operation of the Processing Partner, the Group may also in practice be held liable in respect of the aforesaid claims or liabilities jointly with the Processing Partner. The Processing Partner will be held liable for and the Group may also in practice be held liable for any claim and liability arising out of negligence of the PRC Party under the Processing Arrangement. In the event that the Processing Partner and/or the PRC Party arising out of its negligence incur any claim or liability before or upon expiry of the Processing Arrangement, the Group's financial position and profitability may be adversely affected.

Employees' claim for underpaid social security contribution

The Group has not made full social security contribution to retirement insurance and industrial injury insurance for its employees in accordance with the local regulations in the PRC. The amount of underpaid social security contribution for the existing employees of Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner according to the relevant PRC rules and regulations is estimated to be approximately HK$5.1 million, HK$6.5 million, HK$8.3 million and HK$8.9 million as at 31 March 2006, 2007 and 2008 and as at 30 September 2008 respectively. As at 31 October 2008, the amount of underpaid social security contribution for resigned employees according to the relevant PRC rules and regulations was estimated by the Directors to be approximately HK$2.8 million for the two-year claim period from 1 November 2006 to 31 October 2008. The maximum penalty in relation to the underpaid contribution to industrial injury insurance of the Group was estimated to be HK$317,000 from 1 April 2006 to 30 April 2008. Besides, the Group may be subject to a maximum penalty of RMB50,000 and the management and other persons with direct responsibilities of the Group may be subject to a penalty ranging from RMB10,000 to RMB30,000. Details are set out under the sub-section headed "Insurance" under the section headed "Business" in this prospectus.

The Group has made full provision for underpaid social security contribution for its existing employees abovementioned. The PRC Legal Advisers advised that the possibility that resigned employees claim against Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner for underpaid social security contribution is low and Mr. Chong has given an indemnity to the Group for any losses, liabilities or damages suffered in connection with such under-payment of contributions exceeding the amount of provision incurred prior to the Listing. If the relevant bureau claim or employees claim against the Group for underpaid social security contribution and Mr. Chong fails to honour his indemnity, the Group's business operation or financial position may be adversely affected.

Seasonal factors

As advised by the Directors, the peak season of the packaging industry is normally from June to November each year, the few months before the approach of the Christmas and Chinese Lunar New Year. Should the Group fail to capture orders from customers during the peak season, the financial results of the Group during the year may be adversely affected.

Dividend policy

The Group declared dividends of approximately HK$60 million, HK$30 million, HK$40 million and nil respectively for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively. It is the present intention of the Directors that the Company will declare interim and/or final dividends equivalent to approximately 30% to 40% in total of the audited consolidated profit for the year of the Group each year for the two years ending 31 March 2010, whilst the amount of dividends to be declared will be subject to, the full discretion of the Directors, taking into consideration, among others, the amount of earnings, financial position, cash requirements and availability of the Group as well as the provisions of applicable laws and regulations and other relevant factors. Potential investors should note that historical dividend distributions are not indicative of the future dividend distribution policy of the Company.

No insurance on product liability

The Group has not maintained any insurance on product liability as the Directors are of the view that the Group's exposure to product liability is remote and the cost of insurance coverage for product liability is not justifiable compared against such exposure. Should there be any product claims or losses for product liability, the Group's reputation, business operation or financial position may be adversely affected.

Dilution in the earnings per Share and net assets value per Share may be resulted from granting share options under the Share Option Scheme

The Group has adopted the Share Option Scheme although no options have been granted thereunder as at the Latest Practicable Date. Any exercise of the options to be granted under the Share Option Scheme in the future and issuance of Shares thereunder would result in reduction in the percentage ownership of the Shareholders and dilution in the earnings per Share and net assets value per Share due to the increase in the number of issued Shares after the issuance. Under the Hong Kong Financial Reporting Standards, the costs of share options granted to employees under the Share Option Scheme will be charged to the Group's income statement over the vesting period by reference to the fair value on the date the share options are granted. As a result, the Group's profitability may be adversely affected.

Revocation of tax benefits

Pursuant to relevant laws and regulations in the PRC, Come Sure Shenzhen is subject to a reduced enterprise income tax rate of 15% for the period from 1 April 2005 to 31 December 2007. In addition, since the value of exported goods is over 70% of the total value of goods for the year, Come Sure Shenzhen is qualified as an "Export Oriented Enterprise" ("EOE") and is entitled for a reduced enterprise income tax rate of 10% for the period from 1 April 2005 to 31 December 2006 and tax refunds of approximately HK$622,000 and HK$606,000 were received for such reduction of tax rate during the years ended 31 March 2006 and 2007 respectively. 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 EOE described above is no longer provided in the new enterprise income tax law. Pursuant to Notice [2007]39 "Notice on Implementation of Enterprise Income Tax Transitional Preferential Treatment" issued by the 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 Shenzhen would be 18% in calendar year 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% for 2012 onwards. Any future change in government policy, in particular, increase in the enterprise income tax rate applicable to the Company's PRC operating subsidiaries or other adverse tax treatments, would have an adverse effect on the Group's financial condition.

Newly enacted PRC employment contract law may increase labour costs

Law of the People's Republic of China on Employment Contracts《中華人民共和國勞動合同法》(the "Employment Contract Law") was adopted by the Standing Committee of the National People's Congress of the PRC in 2007 and became effective on 1 January 2008. Compliance with the requirements under the new law, in particular, the requirement of severance payment and non-fixed term employment contracts, may increase the Group's labour costs.

Pursuant to the Employment Contract Law, the Group is required to enter into non-fixed term employment contracts with employees who have worked for the Group for more than ten years or whom a fixed term employment has been concluded for two consecutive terms since 2008. The Group may not be able to efficiently terminate these non-fixed term employment contract under the new Employment Contract Law without cause. The Group is also required to make severance payment to the employee when the term of the employment contracts available to him/her. The severance payment will be equal to the monthly wages times the number of full years that the employee has been working for the employer. The minimum wages requirement has also been imposed. Fines will be imposed for any breach of the Employment Contract Law. Compliance with the relevant laws and regulations may substantially increase the Group's operating costs, thus may have an adverse effect on the Group's results of operations.

Environmental protection

The Group manufactures corrugated paperboards and paper-based packaging products through Come Sure Shenzhen and the Processing Partner. During the manufacturing process, industrial wastage such as waste air and waste water is produced. As advised by the PRC Legal Advisers, Come Sure Shenzhen and the Processing Partner have complied with PRC laws and regulations relating to environmental protection in all material aspects during the Track Record Period. However, Come Sure Shenzhen and the Processing Partner may need to incur additional cost to upgrade its existing production facilities if the PRC government imposes more stringent control on environmental protection, which may adversely affect the profitability of the Group. In addition, in the event that Come Sure Shenzhen or the Processing Partner fails to meet any new environmental requirements, they may not be able to continue their business operation.

Business plans may be delayed or may not materialise

The business plans of the Group as stated in this prospectus are decided based on certain assumptions of future events which by their nature are subject to uncertainty and therefore there is no assurance that the Group's plans, in particular the establishment of a new production plant on the Huidong Land, will be achieved as planned. In the event that any part of the Group's business plans is delayed or not achieved as planned, the Directors will consider to hold or deposit the funds with financial institutions so long as the Directors consider it to be in the Group's interests.

The Group may experience difficulties managing its growth

During the Track Record Period, turnover of the Group grew from approximately HK$574.9 million in 2006 to HK$665.7 million in 2008 while the profit of the Group grew from approximately HK$46.0 million in 2006 to HK$61.3 million in 2008.

The Group intends to expand its production capacity by expanding its existing production facilities and establishing a new production plant in the PRC. Such expansion may place a significant strain on its managerial, operational and financial resources. Other factors like the seasonal demand of customers and economic conditions and decrease in orders from customers, in particular, manufacturers of consumer products due to the recent economic crisis in the world, which are beyond the control of the Group, may also affect the growth of the Group. There is no assurance that the Group will be able to achieve or maintain similar level growth in turnover and profit in the future and the difficulties which may be experienced by the Group when managing its growth may adversely affect its business operations, financial position and profitability.

The Group may be adversely affected by the recent economic crisis in the world

The recent economic crisis in the world has adversely affected the US and the world economies. With a deteriorating worldwide economy, demand for, among other things, consumer products may fall, which in turn may affect the demand for the Group's corrugated paperboards and paper-based packaging products. In addition, in amid of the credit tightening environment, banks may vary the terms of bank loans or the banking facilities currently available to the Group. If this economic downturn continues, the Group's financial position or business operations could be adversely affected.

RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP OPERATES

Pricing of raw paper

The principal raw material used by the Group is raw paper including kraftlinerboard and corrugated medium. Prices of raw paper are subject to fluctuations according to market conditions, in particular, the number and production capacity of paper manufacturers which affect the supply of raw paper, and demand of raw paper which is affected by the worldwide economic growth. Please refer to the sub-section headed "Price of raw paper" under the section headed "Industry and Regulatory Overview" for the price trends of imported kraftlinerboard and imported and PRC corrugated medium, major kinds of raw paper purchased by the Group, for the period from 2005 to January 2009. For the three years ended 31 March 2008 and the six months ended 30 September 2008, cost of raw paper accounted for approximately 77.6%, 75.6%, 83.3% and 71.4% of the Group's cost of goods sold respectively. During the Track Record Period, the Group recorded a stable average purchase price of raw paper for the financial year 2006 and 2007, approximately 14.9% increase in the average purchase price of raw paper for the financial year 2008 as compared with that of 2007 and approximately 22.4% increase of the same for the six months ended 30 September 2008 as compared with the financial year 2008. To the best knowledge of the Directors, surge in international and domestic raw paper price for the financial year 2007 and 2008 was mainly due to the high economic growth in the PRC which induced the demand of raw paper and surge in price of raw materials for producing raw paper such as scrap and pulp. There was also decrease in short-term domestic supply of raw paper as some small paper manufacturers in the PRC phased out or being merged or acquired as their development was restricted by the State's policy under the China's 11th Five-Year Plan pursuant to which scale and environment has been

laid down as a major direction for the development of paper manufacturing industry in the PRC during the five-year period from 2006 to 2010. As such, if the supply of raw paper is unable to catch up the increase in demand of raw paper as packaging materials for consumer products, the selling price of raw paper will likely increase, and vice versa. Should there be any significant increase in the price of raw paper whilst the Group is unable to pass the cost to its customers by making corresponding increase in the selling price of the Group's products, the Group's profit margin may be adversely affected.

Competition

The Directors consider that there are a number of local corrugated paperboard and carton manufacturers in Guangdong Province in the PRC, especially Shenzhen and Dongguan, which are the potential or existing competitors of the Group. Should these competitors equip themselves with more advanced machinery and equipment, technical expertise, or expand their sales and marketing network which constitute a stronger competitive edge of them against the Group, the business operation and profitability of the Group may be adversely affected.

RISKS RELATING TO THE PRC

Economic, social and legal considerations

The PRC has a long history of being a planned economy. The PRC economy is still to a large extent a planned economy, albeit that the PRC government has undergone economic reforms to transform the PRC economy into a market economy with socialist characteristics. These reforms have resulted in a more significant role being played by market forces in the overall economic performance. Nevertheless, many of the regulations are subject to further refinement and revision which aim at optimising the economic system. There is no assurance that any change in the economic conditions as a result of the economic reforms or macro-economic control measures adopted by the PRC government will have a positive effect on the economic development of the PRC.

Since 1979, the PRC has promulgated various laws and regulations relating to economic issues in general as well as issues involving foreign investment. In 1982, the National People's Congress of the PRC resolved to amend the PRC constitution to allow foreign investment and to protect the legal interests of foreign investors in the PRC. The enforcement of existing laws and regulations may be uncertain or inconsistent, and the interpretation of these laws and regulations may change from time to time. Any such change could have an adverse impact on the business operation of the Group.

Currency conversion

For the three years ended 31 March 2008 and the six months ended 30 September 2008, approximately 81.1%, 74.7%, 62.6% and 60.3% of the Group's sales were denominated in HK$; approximately 17.6%, 22.6%, 32.0% and 34.7% of the Group's sales were denominated in RMB and approximately 1.3%, 2.7%, 5.4% and 5.0% of the Group's sales were denominated in US$ respectively. For the three years ended 31 March 2008 and the six months ended 30 September 2008, approximately 63.0%, 61.1%, 64.5% and 46.3% of the Group's purchases were denominated in HK$; approximately 18.7%, 32.2%, 33.5% and 45.2% of the Group's purchases were denominated in RMB and approximately 18.3%, 6.7%, 2.0% and 8.5% of the Group's purchases were denominated in US$ respectively. The Group recorded exchange loss of approximately HK$2.8 million, HK$3.7 million, HK$10.6 million and HK$0.6 million for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively.

The value of RMB against US$ and other currencies fluctuates and is affected by, among other things, changes in the PRC's and international political and economic conditions. Since 1994, the conversion of RMB into foreign currencies, including HK$ and US$, has been based on rates set by People's Bank of China on a daily basis, which are based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. From 1994 to 20 July 2005, the official exchange rates for the conversion of RMB to US$ were generally stable. On 20 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of RMB appreciated by approximately 2% against US$. The PRC government has since made and in the future may make further adjustments to the exchange rate system. In the event that the PRC government allows more flexibility or fluctuations of the exchange rate of RMB converting into foreign currencies in the future, the volatility of the exchange rate in the future may result in foreign exchange losses because the Group has RMB denominated revenues and debts, and thus may adversely affect the Group's results of operation and financial condition.

Epidemics, acts of war and other disasters

The Group's business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond human control may adversely affect the economy, infrastructure and livelihood of the people of the PRC. Many major cities in the PRC are under threat of flood, earthquake, typhoon, sandstorm or drought. The business, operation results and financial condition of the Group may be adversely affected if such natural disasters occur. In particular, any future outbreaks of SARS, Avian Flu or any other epidemic could have an adverse effect on the results of operation of the Group.

In addition, acts of war and terrorist attacks may cause damage or disruption to the manufacturing plants, employees, distribution channels, markets or customers, any of which could adversely impact turnover, cost of goods sold, overall results and financial condition or Share price of the Group. Potential war or terrorist attacks may also cause uncertainty and cause the business to suffer in ways that the Group cannot currently predict.

RISKS RELATING TO THE SHARES

An active market for the Shares may not develop or be sustained

Prior to the Share Offer, there has been no public market for the Shares. An active public market for the Shares may not develop or be sustained after the Share Offer. If an active market for the Shares does not develop after the Share Offer, the market price and liquidity of the Shares may be adversely affected. The Offer Price was determined through negotiations among the Company and Kingsway Financial (for itself and on behalf of the Underwriters), and may not be representative of the price that will prevail in the open market.

RISKS RELATING TO CERTAIN INFORMATION CONTAINED IN THIS PROSPECTUS

Statistics and industry information

Statistics, industry data and other information relating to the economy and the industry contained in this prospectus have been derived, in part, from government official publications. The Company cannot ensure or make any representation as to the accuracy or completeness of such information. Neither the Company nor any of its respective affiliates or advisers, nor the Global Co-ordinator, the Sole Bookrunner, the Lead Manager, the Sponsor, the Underwriters or any of their affiliates, directors or advisers or any other parties involved in the Share Offer, have prepared or independently verified the accuracy or completeness of such information derived from government official publications. Statistics, industry data and other information relating to the economy and the industry derived from government official publications may not be consistent with other information available from other sources and should not be unduly relied upon. Due to possible flawed collection methods, discrepancies between published information, different market practices or other problems, the statistics, industry data and other information relating to the economy and the industry derived from government official publications might be inaccurate or might not be comparable to statistics produced from other sources. In all cases, investors should give careful consideration as to how much weight or importance the investors should attach or place on such statistics, the projected industry data and other information relating to the economy and the industry.

Forward-looking statements contained in this prospectus may not materialise

This prospectus contains certain statements and information that are "forward-looking" and uses of forward-looking terminology such as "anticipate", "believe", "could", "expect", "estimate", "may", "ought to", "should" or "will". Those statements include, among other things, the discussion of the Group's growth strategy and expectations concerning its future operations, liquidity and capital resources. Subscribers of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that, although the Directors believe the assumptions on which the forward-looking statements are based are reasonable, any or all of those assumptions could prove to be incorrect and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this "Risk factors" section, many of which are not within the Group's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by the Company that its plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. The Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts that the omission of which would make any statement in this prospectus misleading.

OFFER SHARES ARE FULLY UNDERWRITTEN

The Share Offer comprises the Placing and the Public Offer. A total of 70,000,000 Shares will initially be made available under the Share Offer, of which 63,000,000 Shares, representing 90% of the total number of Shares initially being offered under the Share Offer, will initially be placed with professional, institutional and other investors anticipated to have a sizeable demand for the Placing Shares at the Offer Price under the Placing. The remaining 7,000,000 Shares, representing 10% of the total number of Shares initially being offered under the Share Offer, will initially be offered to the public in Hong Kong for subscription at the Offer Price under the Public Offer, payable in full on application. The number of Shares offered for subscription under the Placing and the Public Offer will be subject to re-allocation. Details of the structure of the Share Offer are described in the section headed "Structure and Conditions of the Share Offer" to this prospectus.

This prospectus is published in connection with the Share Offer and, together with the Application Forms, set out the terms and conditions of the Share Offer.

The Share Offer is sponsored by the Sponsor. The Public Offer is fully underwritten by the Public Offer Underwriters and the Placing is expected to be fully underwritten by the Placing Underwriters. For further information about the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" to this prospectus.

OFFER SHARES TO BE OFFERED IN HONG KONG ONLY

No action has been taken to permit any public offering of the Offer Shares or the distribution of this prospectus and the Application Forms in any jurisdiction other than Hong Kong. The distribution of this prospectus and the Application Forms and the offering of the Offer Shares in certain jurisdictions is restricted by law. This prospectus is not an offer or invitation, nor is it calculated to invite or solicit offers in any jurisdiction in which it is not authorised, and is not an offer or invitation to any person to whom it is unlawful to make an unauthorised offer or invitation.

Hong Kong

This prospectus has been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may be issued, circulated or distributed in Hong Kong, and the Offer Shares under the Share Offer may be offered for subscription to: (i) members of the public in Hong Kong; and (ii) any other person in Hong Kong. In addition, advertisements may be made offering or calling attention to an offer or intended offer of the Offer Shares to the public in Hong Kong.

US

The Offer Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) ("Securities Act") or under any securities regulatory authority of any state of the US and may not be offered, sold, pledged or transferred in the US except in a transaction not subject to, or in accordance with, an applicable exemption from the registration requirements of the Securities Act.

UK

This prospectus has not been, and will not be, approved by an authorised person in the UK and has not been, and will not be, registered with the Registrar of Companies in the UK. The Offer Shares may not be offered or sold in the UK except to persons whose ordinary activities involve in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the UK within the meaning of the Public Offers of Securities Regulations 1995.

Singapore

This prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than: (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("Singapore Securities and Futures Act"); or (ii) to a sophisticated investor, and in accordance with the conditions specified in Section 275 of the Singapore Securities and Futures Act; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore Securities and Futures Act.

Taiwan

This prospectus has not been and will not be registered with the Financial Supervisory Commission, the Executive Yuan of Taiwan and related laws and regulations of Taiwan. Accordingly, none of the Offer Shares may be offered for subscription, purchase

or sold, directly or indirectly, in Taiwan or to, or for the benefit of, any resident of Taiwan, except (i) pursuant to the requirement of the securities related laws and regulations in Taiwan; and (ii) in compliance with any other applicable requirement of Taiwanese laws.

Japan

This prospectus has not been, and will not be, registered under the Securities and Exchange Law of Japan. None of the Offer Shares may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and in compliance with any other applicable requirement of Japanese law.

Cayman Islands

No offer of the Offer Shares may be made to members of the public in the Cayman Islands.

Each person acquiring the Offer Shares will be required to confirm, or be deemed by his or her or its acquisition of the Offer Shares to have confirmed, that he or she or it is aware of the restrictions on offering of the Offer Shares described in this prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Company has applied to the Listing Committee for the granting of the approval of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein including the Offer Shares and any Shares which may fall to be allotted and issued pursuant to the Capitalisation Issue and any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme. No part of the Share or loan capital of the Company is listed or dealt in the Stock Exchange or any other stock exchange. At present, the Company is not seeking or proposing to seek the listing of, or permission to deal in, the Shares on any other stock exchange. All the Shares will be registered on the Hong Kong branch register of members of the Company in order for them to be traded on the Stock Exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are not sure about the taxation implications of subscribing for the Offer Shares, or about purchasing, holding or disposing of or dealing in them, you should consult an expert. The Company, the Sponsor, the Lead Manager, the Underwriters, their respective directors, agents or advisers or other persons involved in the Share Offer do not accept responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, or purchasing, holding or disposing of or dealing in the Offer Shares.

STAMP DUTY

All the Shares issued pursuant to the Share Offer will be registered on the Company's branch register of members to be maintained in Hong Kong by its branch share registrar in Hong Kong. The Company's principal register of members will be maintained by its principal share registrar in the Cayman Islands.

Dealings in the Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

PROCEDURE FOR APPLICATION FOR THE PUBLIC OFFER SHARES

The procedure for applying for the Public Offer Shares is set out in the section headed "How to apply for Public Offer Shares" in this prospectus and on the Application Forms.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued on the Stock Exchange mentioned in this prospectus and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. Investors should seek the advice of their stockbroker(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

STRUCTURE OF THE SHARE OFFER

Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and conditions of the Share Offer" in this prospectus.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Main Board are expected to commence at 9:30 a.m. on Thursday, 26 February 2009.

Shares will be traded on the Main Board in board lots of 2,000 Shares each.

EXECUTIVE DIRECTORS

Name	Address	Nationality
Mr. Chong Kam Chau	Flat A, 18th Floor, Block 8 Braemar Hill Mansions 15-43 Braemar Hill Road North Point, Hong Kong	Chinese
Mr. Chong Wa Pan	Flat C, 14th Floor, Block 8 Braemar Hill Mansions 15-43 Braemar Hill Road North Point, Hong Kong	Chinese
Mr. Yiu Ho Chi Stephen	Flat A, 14th Floor, Block 11 Mayfair Gardens Tsing Yi Island New Territories, Hong Kong	Chinese
Mr. Chong Wa Ching	Flat A, 17th Floor, Block 15 Braemar Hill Mansions 15-43 Braemar Hill Road North Point, Hong Kong	Chinese
Mr. Chong Wa Lam	Flat C, 14th Floor, Block 8 Braemar Hill Mansions 15-43 Braemar Hill Road North Point, Hong Kong	Chinese

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau On Ta Yuen	Flat C&D, 23rd Floor, Tower 21 Laguna Verde Hunghom Kowloon Hong Kong	Chinese
Ms. Tsui Pui Man	25E, Hoi Sing Mansion Tai Koo Shing Hong Kong	Chinese
Mr. Law Tze Lun	Flat C, 19th Floor, Block 11 Metrocity Phase 2 Tseung Kwan O Kowloon Hong Kong	Chinese

Sponsor	Kingsway Capital Limited 5th Floor, Hutchison House 10 Harcourt Road Central, Hong Kong
Global Co-ordinator, Sole Bookrunner and Lead Manager	Kingsway Financial Services Group Limited 5th Floor, Hutchison House 10 Harcourt Road Central, Hong Kong
Placing Underwriters	Kingsway Financial Services Group Limited 5th Floor, Hutchison House 10 Harcourt Road Central, Hong Kong CAF Securities Company Limited 13th Floor, Fairmont House 8 Cotton Tree Drive Central, Hong Kong China Everbright Securities (HK) Limited 36th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong China Merchants Securities (HK) Co., Ltd. 48th Floor, One Exchange Square Central, Hong Kong First Shanghai Securities Limited 19th Floor, Wing On House 71 Des Voeux Road Central Hong Kong GF Securities (Hong Kong) Brokerage Limited Suites 2301-5 & 2313, COSCO Tower 183 Queen's Road Central Hong Kong Goldin Equities Limited 20th Floor, York House The Landmark 15 Queen's Road Central Hong Kong

VC Brokerage Limited
28th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong

Yee On Securities Limited
Unit A, 22nd Floor
EIB Centre, 40–44 Bonham Strand
Sheung Wan, Hong Kong

Public Offer Underwriters

Kingsway Financial Services Group Limited
5th Floor, Hutchison House
10 Harcourt Road
Central, Hong Kong

CAF Securities Company Limited
13th Floor, Fairmont House
8 Cotton Tree Drive
Hong Kong

China Everbright Securities (HK) Limited.
36th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

China Merchants Securities (HK) Co., Ltd.
48th Floor, One Exchange Square
Central, Hong Kong

First Shanghai Securities Limited
19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
Suites 2301-5 & 2313, COSCO Tower
183 Queen's Road Central
Hong Kong

Goldin Equities Limited
20th Floor, York House
The Landmark
15 Queen's Road Central
Hong Kong

Mizuho Securities Asia Limited
11th Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

United Simsen Securities Ltd
Room 1906–10, 19th Floor
The Center, 99 Queen's Road Central
Hong Kong

VC Brokerage Limited
28th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong

Yee On Securities Limited
Unit A, 22nd Floor
EIB Centre, 40–44 Bonham Strand
Sheung Wan, Hong Kong

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 BVI tax law:
Appleby
8th Floor, Bank of America Tower
12 Harcourt Road
Central
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As to PRC law:
Shu Jin Law Firm
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	As to Macau law: Teresa Teixeira da Silva Advogada Rua de Pequim No. 126, Edificio Commercial I Tak 14 andar A Macau
Legal adviser to the Sponsor and the Underwriters	*As to Hong Kong law:* Mallesons Stephen Jaques 37th Floor Two International Finance Centre 8 Finance Street Central Hong Kong
Auditors and reporting accountants	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
Receiving banker of the Public Offer	Standard Chartered Bank (Hong Kong) Limited 15th Floor, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong Kowloon 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* Flat A, 14th Floor, Block 11 Mayfair Garden Tsing Yi Island New Territories, Hong Kong Mr. Chong Wa Ching Flat A, 17th Floor, Block 15 Braemar Hill Mansion 15-43 Braemar Hills Road North Point, Hong Kong
Authorised person to accept service of process and notice under Part XI of the Companies Ordinance	Mr. Yiu Ho Chi Stephen *CISA, CPA*
Members of audit committee	Mr. Law Tze Lun *(Chairman)* Mr. Chau On Ta Yuen Ms. Tsui Pui Man
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 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 DBS Bank (Hong Kong) Limited 16th Floor, The Centre 99 Queen's Road 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 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 26/F Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

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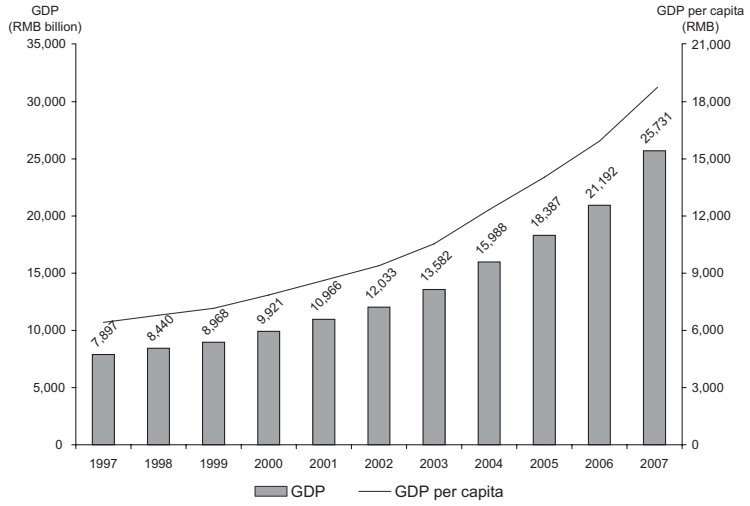
The statistical data contained in this section are extracted from various research reports, yearbooks, journals or newsletters prepared by various institutions, which include HKCPMA, ICCA, China Packaging Federation and CPPMP. None of such research reports, yearbooks, journals or newsletters is commissioned by the Company.

OVERVIEW OF THE PRC ECONOMY

PRC Economic Growth

The PRC economy has been growing fast. According to the statistics released by the World Economic Outlook Databases, China ranked the fourth largest in the world in terms of GDP in 2007. According to the announcement issued by the National Bureau of Statistics of China on 24 January 2008 (the "Announcement"), the PRC economy kept steady and fast growth in 2007 with the features of rapid economic growth, optimised structure, increased efficiency and improved livelihood of the people. The final verified GDP in 2007 was approximately RMB25,731 billion, representing a growth of approximately 21.4% as compared to the previous year, representing a fifth successive year of over 10% growth. In terms of growth by sectors, the primary industry recorded a growth of 3.7%, the secondary industry recorded a growth of 13.4% and the tertiary industry recorded a growth of 12.6%. The GDP and GDP per capita in China from 1997 to 2007 is shown in the chart below.

GDP and GDP per capita in China 1997–2007



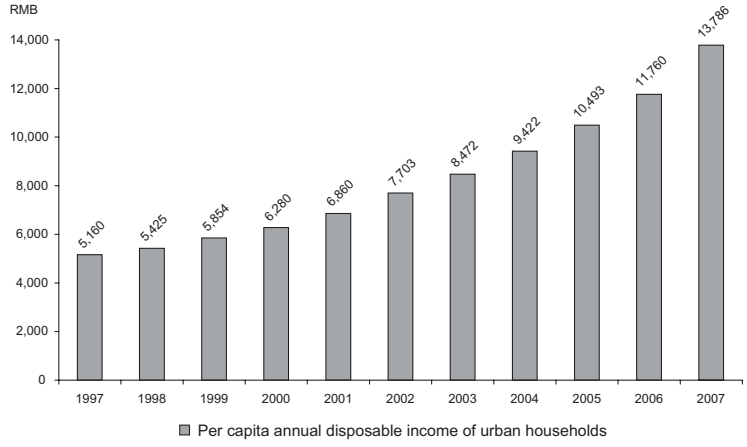
Source: National Bureau of Statistics of China

According to the newsletter "National Economy: Steady and Fast Growth in 2008" issued by the National Bureau of Statistics of China on 22 January 2009, the PRC economy kept steady and fast growth in 2008 despite the impacts from grief natural disasters and the international financial crisis during the year. The preliminary estimated GDP in 2008 was approximately RMB30,067 billion, representing a growth of approximately 9.0%.

Growth in Personal Wealth and Consumption

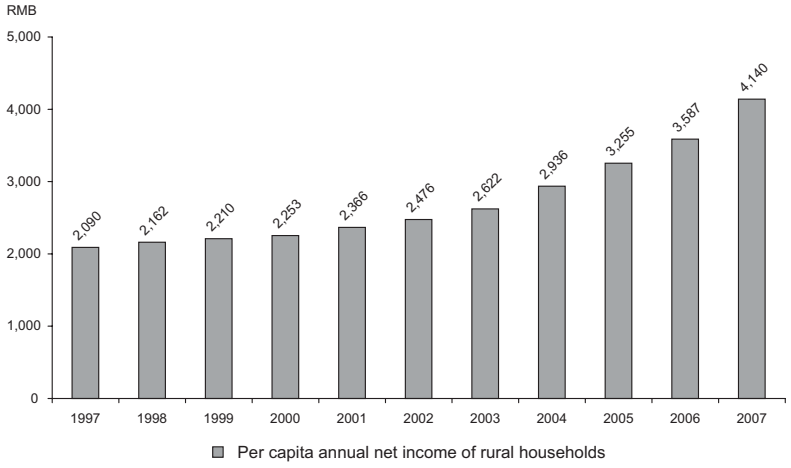
Improvement in annual disposable income and annual net income of urban and rural households in China respectively increased the purchasing power of the livelihood in the PRC. According to the Announcement, the annual disposable income per capita of urban households in China was approximately RMB13,786 in 2007, representing a growth of approximately 17.2% as compared to the previous year. The annual net income per capita of rural households in China was approximately RMB4,140, representing a growth of approximately 15.4% as compared to the previous year. The annual disposable income per capita of urban households and the annual net income per capita of rural households in China from 1997 to 2007 are shown in the charts below.

Annual disposable income per capita of urban households in China 1997–2007



Source: National Bureau of Statistics of China

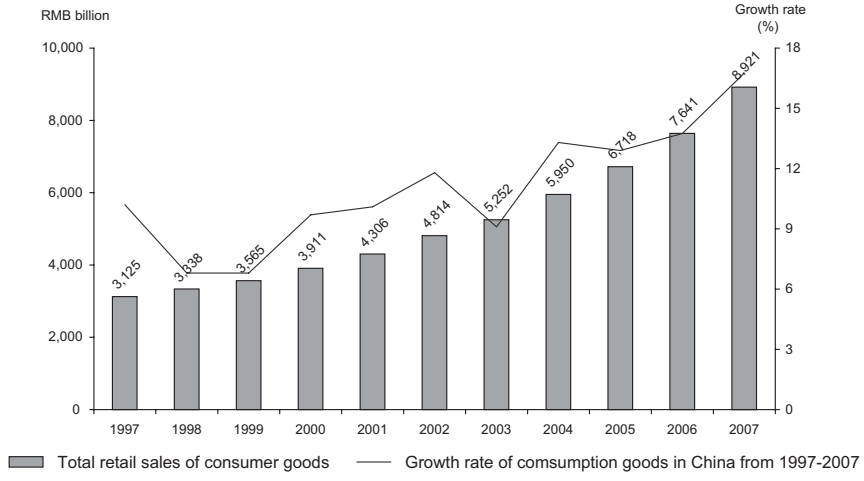
Annual net income per capita of rural households in China 1997–2007



Source: National Bureau of Statistics of China

According to the Announcement, the total retail sales of consumer goods reached approximately RMB8,921 billion in 2007, representing a growth of approximately 16.8%, or 3.1 percentage points higher than that in 2006. In terms of different sectors, the growth of wholesale and retail sectors was approximately 16.7%, and the growth of lodging and catering industry was approximately 19.4%. The sales by wholesale and retail businesses above the designed size in the sectors enjoyed over 20% growth including petroleum and petroleum products, automobiles, construction and decoration materials, communication equipment, furniture, household electric appliances and audio-video equipment, clothing, shoes, hats and textiles, cosmetics and sports and recreation articles. The growth of retail sales of consumer goods in China from 1997 to 2007 is shown in the chart below.

Retail Sales of Consumer Goods in China 1997–2007



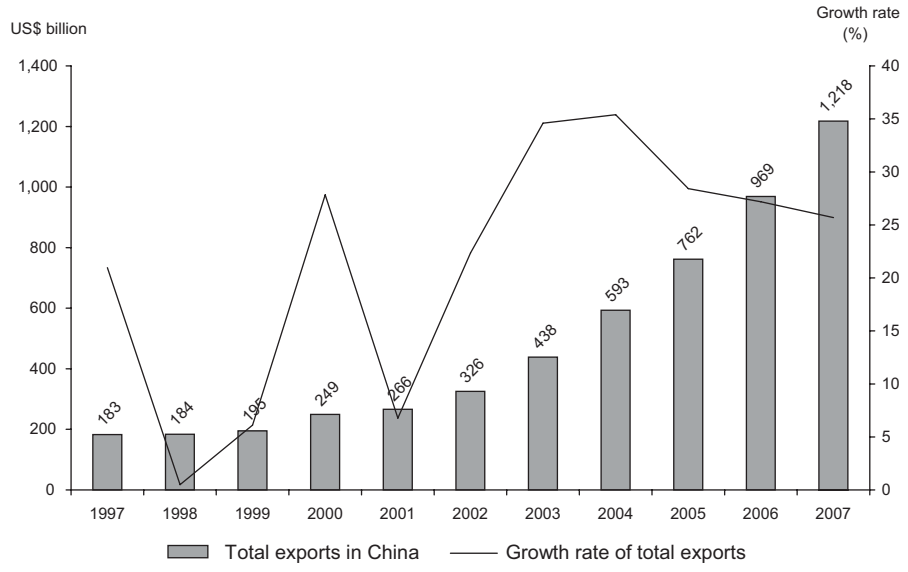
Source: National Bureau of Statistics of China

According to the newsletter "Total Retail Sales of Consumer Goods Kept Growing in November" issued by the National Bureau of Statistics of China on 12 December 2008, the total retail sales of consumer goods reached approximately RMB9,776 billion, representing a year-on-year increase of 21.9%.

Growth in Total Export in China

China is an important export centre in the world. According to the Announcement, the total volume of imports and exports in China in 2007 reached approximately US$2,174 billion, representing a growth of approximately 23.5%, which was 0.3 percentage point lower than that in 2006. The value of exports was approximately US$1,218 billion, representing a growth of approximately 25.7%, or 1.5 percentage points lower than that in 2006; and the value of imports was approximately US$956 billion, representing a growth of approximately 20.8%, or 0.8 percentage point higher than that in 2006. China had a trade surplus of approximately US$262.2 billion, representing a growth of approximately US$84.7 billion over that in 2006. The chart below shows the total exports in China from 1997 to 2007.

Total Export in China 1997–2007



Source: National Bureau of Statistics of China

According to the newsletter "National Economy: Steady and Fast Growth in 2008" issued by the National Bureau of Statistics of China on 22 January 2009, the total volume of imports and exports in China in 2008 reached approximately US$2,561.6 billion, representing a growth of approximately 17.8%.

THE PACKAGING INDUSTRY IN THE PRC

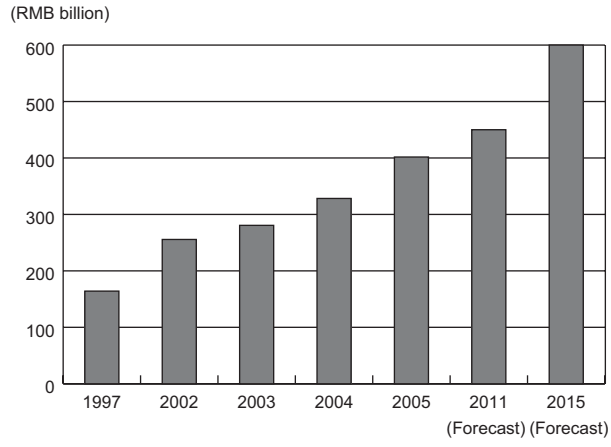
Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale and use. Nowadays, the packaging can be used by marketers to encourage potential buyers to purchase the products and it is also one of the value-added factors for the price dispersion between products. Marketing communications and graphic design are applied to the surface of the package and the point of sale display.

According to the 7th issue in 2007 of the China Paper Newsletter, there were more than 11,000 packaging enterprises in China and the production value has increased from less than RMB10 billion in early 1980s to RMB410 billion in 2005. China has become the world's third largest packaging industry country next to the United States and Japan. However, the packaging products, in terms of choice and quality, still cannot satisfy the demand. One fourth of the packaging products are still relied on import.

According to the China Packaging Yearbooks 2004, 2005 and 2006-2007, the annual production output of the enterprises with an annual sales over RMB5 million in the packaging industry in the PRC increased from approximately RMB164.2 billion in 1997 to approximately RMB401.7 billion in 2005, representing a CAGR of approximately 11.8%.

According to the NDRC newsletter dated 7 November 2007 published by NDRC (the "NDRC Newsletter"), in the outline of the Eleventh Five-Year Plan, the expected annual production value of the packaging industry will attain RMB450 billion, representing an annual growth rate of approximately 7%. During the period from 2011 to 2015, the expected annual production value will further increase to RMB600 billion, representing an annual growth rate of approximately 16%.

Total production output of the packaging industry in the PRC

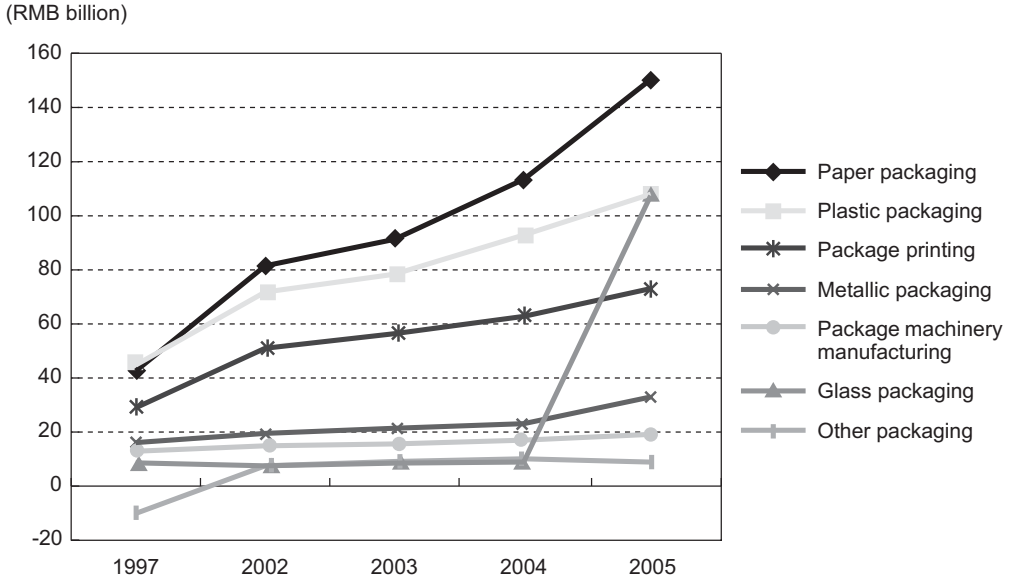


Source: China Packaging Yearbooks 2004, 2005 and 2006-2007
NDRC Newsletter

According to the classification in China Packaging Yearbook 2006-2007, industrial production output of the packaging industry mainly divided into seven segments, including (1) paper packaging sector; (2) plastic packaging sector; (3) package printing sector; (4) metallic packaging sector; (5) package machinery manufacturing sector; (6) glass packaging sector; and (7) other packaging sector.

Between 1997 and 2005, paper packaging has been the fastest growing sector in the packaging industry. Based on the China Packaging Yearbooks 2004, 2005 and 2006-2007, the industrial production output of the paper packaging sector (including state-owned enterprises and non state-owned enterprises with sales over RMB5 million) has grown from approximately RMB42.6 billion in 1997 to approximately RMB149.2 billion in 2005, representing a CAGR of approximately 17.0%. The aforesaid CAGR outpaced the CAGRs of package printing and plastic packaging sectors during the same period of approximately 12.2% and approximately 11.6% respectively.

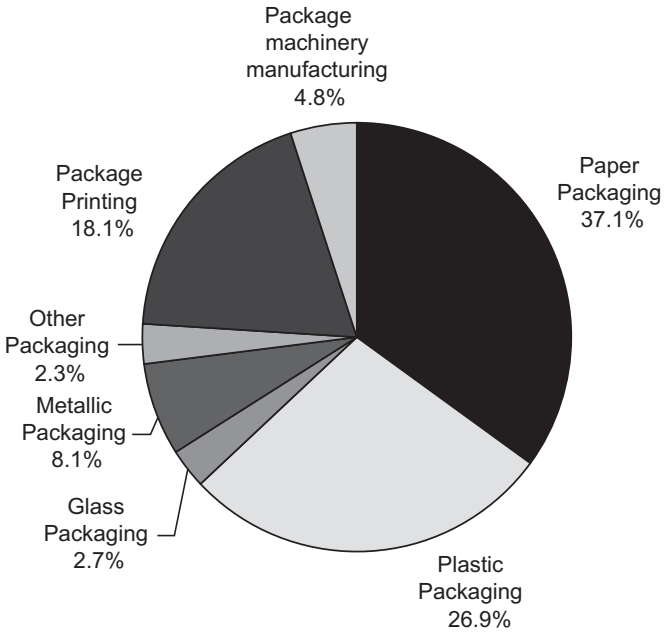
Sectorial industrial production output of the PRC's packaging industry



Source: China Packaging Yearbooks, 2004, 2005 and 2006–2007

The paper packaging sector was the largest sector in the PRC's packaging industry in 2005 which contributed to approximately 37.1% of the total industrial production output of the industry during the year. The chart below set out the contribution by the aforesaid sectors in the PRC's packaging industry in 2005:

Sectorial industrial production output contribution of the PRC's packaging industry in 2005



Source: China Packaging Yearbook 2006–2007

As estimated by the NDRC in November 2007, paper packaging will remain the largest segments in the PRC's packaging industry by 2015, with an expected production volume of up to 36 million tonne, as compared to that of plastic packaging, metallic packaging and glass packaging of under 16 million tonne each.

PAPER PACKAGING INDUSTRY IN THE PRC

In light of the above, paper packaging has been the fastest growing sector in the PRC's packaging industry. The contribution by the paper packaging sector to the PRC's packaging industry in terms of industrial production output has been increasing during the last decade.

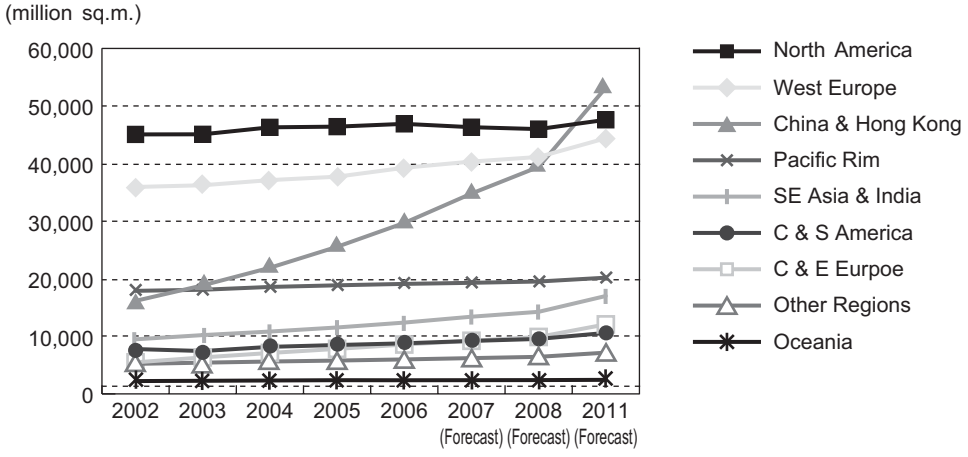
Corrugated paperboard

Corrugated carton is one of the major kinds of packaging material due to its features, including mainly flexible usage, environmental friendly and vibration-resistant. Corrugated carton is made of corrugated paperboard which is built with corrugated or wavy fluting medium lying between two pieces of smooth paper boards on the outside. Hence, the strong growth in retail sales of consumption goods and exports in China encourages the growth in the packaging industry which in turn accelerates the growth in corrugated paperboard industry in China.

China (including Hong Kong) is one of the major players in the world corrugated paperboard industry. As reported by ICCA, the global corrugated paperboard production/shipments amounted to approximately 173.0 billion sq.m. in 2006, representing an increase of about 5.2% over that of approximately 164.5 billion sq.m. in 2005. Over one-third of 2006 global growth in corrugated production and shipments occurred in Asia.

According to ICCA Global Corrugated Forecast 2007-2011 (the "Forecast") published by ICCA in July 2007, China (including Hong Kong) rank the second largest around the world in 2006, after the United States, in terms of corrugated production. During the year, China (including Hong Kong) produced approximately 29,675 million sq.m. of corrugated paperboard, representing a CAGR of approximately 16.4% over of that in 2004, which contributed to approximately 17.2% of global corrugated production. The chart below shows the growth of the top nine of the corrugated paperboard production around the world from 2002 to 2006, in particular, the robust growth in China (including Hong Kong) as compared with that of other regions, together the forecasted production trends in 2007, 2008 and 2011 by region:

Trend of corrugated production in the world



Source: The Forecast

The importance of contribution by China (including Hong Kong) to the corrugated paperboard industry can be further demonstrated by the distribution of market share around the world in 2006 below:

Market share of the corrugated paperboards production in 2006

		2006	
Rank	**Country**	**Production** *(million sq.m.)*	**Approximate market share** *(%)*
1	United States	40,351	23.3
2	China (including Hong Kong)	29,675	17.2
3	Japan	13,863	8.0
4	Germany	8,541	4.9
5	Italy	6,648	3.8
6	France	5,765	3.3
7	Spain	4,844	2.8
8	India	4,400	2.5
9	UK	4,325	2.5
10	Brazil	4,114	2.4
	Others	50,454	29.3
	Total	**172,980**	**100**

Source: The Forecast

Approximately 29.7 billion sq.m. of corrugated paperboards were produced by China (including Hong Kong) in 2006, representing approximately 17.2% of the global production volume in the respective year. Apart from the United States and China (including Hong Kong), the corrugated paperboards production volume by each of the countries around the world in 2006 was less than 10%.

According to the Forecast, the corrugated production grew marginally ahead of the industrial production for the period 2003 to 2006. The historical trend of industrial production and corrugated production in China (including Hong Kong) from 2003 to 2006 is set forth below:

	Historical			
	2003	**2004**	**2005**	**2006**
Industrial production (% change on previous year)	16.2	16.0	15.7	16.0
Corrugated production (% change on previous year)	16.7	16.2	16.6	16.2

Source: The Forecast

China (including Hong Kong) is expected to be the largest contributor to the corrugated paperboard production in the world in the coming years. According to the Forecast, over the 5-year period from 2006 to 2011, the global corrugated market will generate corrugated paperboard of an additional 41.6 billion sq.m., of which 56.5% is expected to be generated in China (including Hong Kong), whilst less than 10% is expected to be generated by each of the remaining countries. The CAGR of China (including Hong Kong) over the aforesaid 5-year period is expected to be 12.4%, as compared with the estimated world average of 4.4%. The forecast of global production growth of corrugated paperboards by country is set forth below:

Forecast of global production growth of corrugated paperboards by country

		2006-2011		
Rank	**Country**	**Production growth** *(million sq.m.)*	**Contribution** *(%)*	**CAGR** *(%)*
1	China (including Hong Kong)	23,494	56.5	12.4
2	India	2,717	6.5	9.0
3	Turkey	1,391	3.3	9.6
4	Germany	1,359	3.3	3.0
5	Poland	1,270	3.1	8.8
6	Russia	1,084	2.6	7.3
7	Italy	800	1.9	2.3
8	Indonesia	790	1.9	4.9
9	Brazil	771	1.9	3.5
10	Spain	711	1.7	2.8
	Other	7,186	17.3	
	Total	**41,573**	**100**	

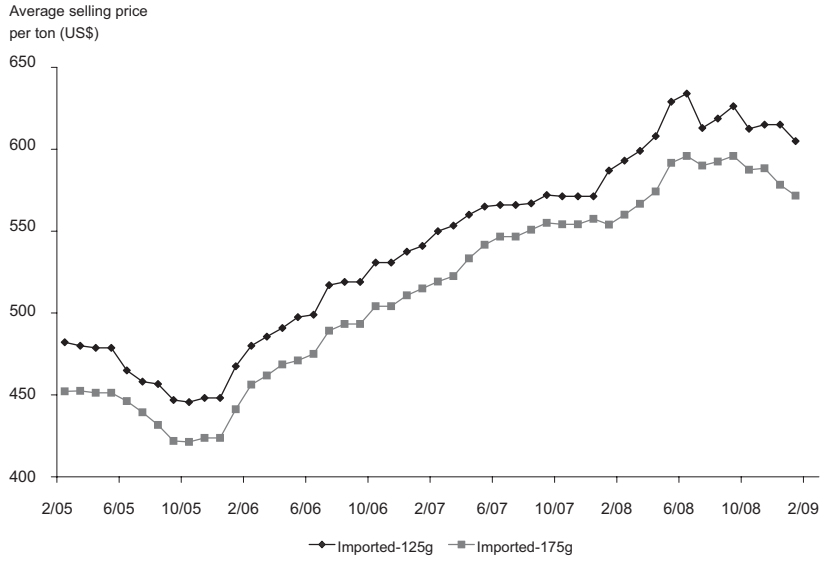
Source: The Forecast

Growth in global industrial production has averaged 3.6% per annum from 2001 to 2006 peaking at 5.1% in 2006 and deteriorating to 4.2% in 2007. The global industrial production is forecast to grow at an average rate of 3.2% per annum over the aforesaid 5-year period, with most of the growth being in China (including Hong Kong) and South East Asia/India.

Price of raw paper

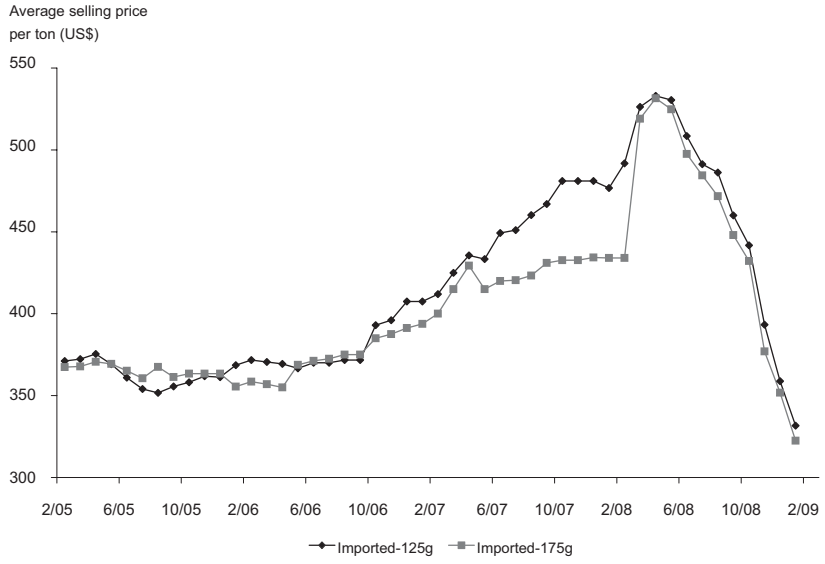
The principal raw material required to produce corrugated paperboard and paper-based packaging products is raw paper, mainly including linerboard and corrugated medium. The prices of raw paper are general subject to fluctuations according to market conditions. The prices of imported raw paper were in an increasing trend along the years and started to decrease since June 2008. Set out below are the price trends of 125g and 175g imported kraftlinerboard, a major kind of linerboard, for the period 2005 to January 2009:

Price Trend of Imported Kraftlinerboard (manufactured wholly by kraft pulp)



Source: HKCPMA

Price Trend of Imported Kraftlinerboard (manufactured partially by kraft pulp)

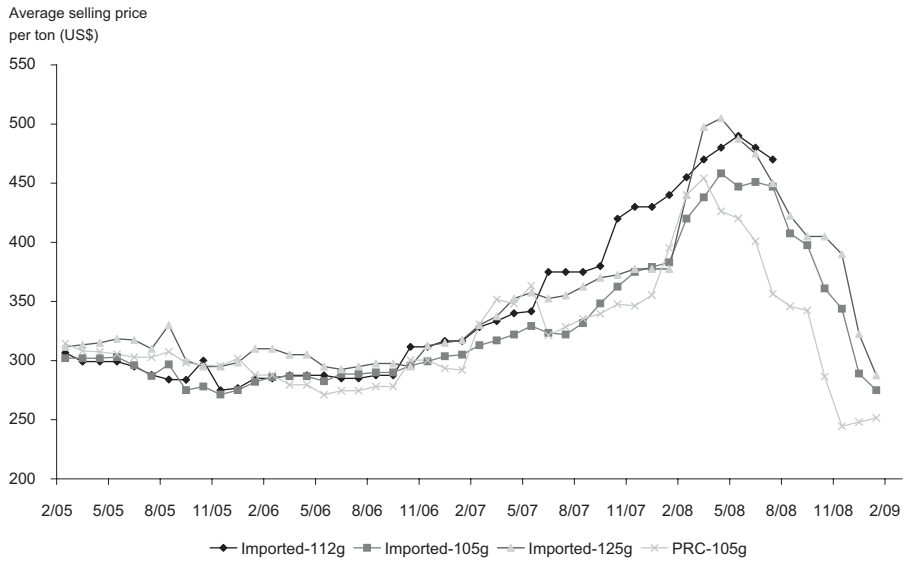


Source: HKCPMA

As set out in the chart above, the overall average selling price per tonne for 125g imported kraftlinerboard (manufactured wholly by kraft pulp) increased from US$465.1 in 2005 to approximately US$601.0 in 2008, representing a CAGR of approximately 8.9% and the overall average selling price per tonne for 175g imported kraftlinerboard (manufactured wholly by kraft pulp) increased from US$438.0 in 2005 to approximately US$566.2 in 2008, representing a CAGR of approximately 8.9%. The overall average selling price per tonne for 125g imported kraftlinerboard (manufactured partially of kraft pulp) increased from approximately US$362.9 in 2005 to approximately US$474.8 in 2008, representing a CAGR of approximately 9.4% and the overall average selling price per tonne for 175g imported kraftlinerboard (manufactured partially of kraft pulp) increased from approximately US$365.5 in 2005 to approximately US$458.8 in 2008, representing a CAGR of approximately 7.9%. The prices for the imported kraftlinerboard, for manufactured wholly by kraft pulp and partially by kraft pulp at both weights, started to decrease since June 2008.

Set out below is the price trends of 112g, 105g and 125g imported corrugated medium and the 105g PRC corrugated medium for the period 2005 to January 2009:

Price Trend of Imported and PRC Corrugated Medium



Source: HKCPMA

According to the chart above, the average selling price per tonne of both imported and PRC corrugated medium has been increasing since 2006 and started to decrease in the first quarter of 2008. The 112g, 105g and 125g imported corrugated medium recorded a CAGR of approximately 17.1%, 11.7% and 11.7% respectively during the period 2005 to January 2009. The 105g PRC corrugated medium recorded a CAGR of approximately 6.1% during the same period, which was relatively lower than those imported corrugated medium. Due to the relatively lower price, the Directors expect that the demand for 105g PRC corrugated medium will increase in the future.

PRC LAWS AND REGULATIONS

The business of the Group and the Processing Partner are subject to several principal PRC laws and regulations, key of which are summarised below:

Regulations for the administration of the printing industry (《印刷業管理條例》)

The Regulations for the administration of the printing industry came into effect on 2 August 2001 (the "Regulations"), which apply to the operations of printing publications, printed matters of package and decoration, and other printed matters. The Regulations provides that the State enforces licence system for printing business operations. Any unit or individual is not permitted to undertake the printing business operations without obtaining the licence of printing business under the Regulations. The State allows the establishment of Chinese and foreign equity joint printing enterprises, Chinese and foreign cooperative joint printing enterprises, and allows the establishment of foreign-funded enterprises engaged in the operations of printing printed matters of package and decoration. The administrative department of publishing of the State Council shall be in charge of the supervision and administration of the printing industry of the whole country. The administrative departments in charge of publishing administration of the people's governments at the county level and above shall be responsible for the supervision and administration of the printing industry within their respective administrative areas. The operators of printing industry shall establish and perfect the system of printing undertaking validation, the system of printing undertaking registration, the system of printed matter keeping, the system of printed matter delivery, and the system of destroying the shopworn and defective products produced in printing activities. If an operator undertaking printing business is in violation of the Regulations, penalties may be imposed by the local publishing administrative departments at the county level, such as ordering cessation of unlawful activities, cessation of business operations and ordering of rectification, confiscation of printed products and illegal gains as well as a fine of five times above and ten times below the illegal business revenue; cancellation of the licence of printing business, and even recourse of the criminal liabilities.

Interim Provisions on the Establishment of Foreign Investment Printing Enterprise (《設立外商投資印刷企業暫行規定》)

The Interim Provisions on the Establishment of Foreign Investment Printing Enterprise was implemented on 29 January 2002, which apply to the enterprises with foreign investment established within the territory of the PRC. It is permitted by the State to establish Chinese and foreign equity joint printing enterprises that are engaged in the printing of publications, printed matters for packaging decorations and other printed matters, and to establish solely enterprises with foreign investment that are engaged in the printing and management of printed matters for packaging decorations. The Chinese party to a Chinese and foreign equity joint printing enterprises shall occupy a controlling or leading position and the foreign investment printing enterprise may not establish any branch organisation. The registered capital of a foreign investment printing enterprise that is engaged in the printing of publications or printed matters for packaging decorations shall not be less than RMB10 million and the term of business operation shall no more than 30 years in general. Where the term of business operation expires, an application shall be

filed within 180 days prior to the expiration and shall be submitted to the original approving authorities for examination and approval. To establish a printing enterprise with foreign investment, the application shall first be made to the provincial administrative department in charge of press and publication of the place where the enterprise is to be located. The administrative department in charge of foreign trade and economic cooperation of the provinces, autonomous regions, municipalities directly under the PRC's government and the municipalities separately listed on the State plan shall be entitled to approve the establishment of printing enterprises with foreign investment whose total investment is below US$30 million and which intend to engage in the printing or management of printed matters for packaging decorations.

Shenzhen Special Economic Zone Actualized Several Provisions on < Regulations for the administration of the printing industry>《深圳經濟特區實施＜印刷業管理條例＞若干規定》

The Shenzhen Special Economic Zone Actualized Several Provisions on <Regulations for the administration of the printing industry> (the "Provisions") was amended and enacted on 25 June 2004. Shenzhen administrative department of publishing is in charge of the supervision and administration of the printing industry in Shenzhen. To establish a printing enterprise should have a specific business scope, necessary funds, fixed production and operation places as well as necessary production equipments. Any printing enterprises or individual cannot print any presswork which violating constitution or laws, containing reactionary, pornographic or superstitious contents and other contents publicly prohibited by state orders, infringing intellectual property or illegal printing certificates, documents, securities or trademark.

Interim Measures on the Qualifications of Print Operators (《印刷業經營者資格條件暫行規定》)

The Interim Measures on the Qualifications of Print Operators was implemented on 9 November 2001. Enterprises undertaking packaging and decorating printed products should have the fixed production and operation places suitable for the development of businesses, which shall not be less than 600 sq.m.; money for normal production and operation with the registered capital shall not be less than RMB1,500,000; necessary equipment for packaging, decoration and printing, organisations and personnel necessary for the business scope, and the legal representative and major persons in charge of production or operation must have the training certificate in printing regulations granted by the publication administrations under the PRC's government on the municipal level and above; the completed operation and management and finance control of the verification of printing, registration, storage, consignation, destruction as well as quality control system.

Law of the People's Republic of China on Product Quality (《中華人民共和國產品質量法》)

The Law of the People's Republic of China on Product Quality was implemented on 22 February 1993 and was amended on 1 September 2002 which is enacted to strengthen the supervision and control over product quality, to define the liability relating thereto and to protect the legitimate rights and interests of users and consumers. The department in charge of supervision and control over product quality under the State Council shall be responsible for nation-wide supervision and control over product quality. Local bureaus responsible for supervision and control over product quality ("Supervisor") at the county level and above are responsible for supervision and control over product quality within their respective areas of jurisdiction. The quality of a product shall be inspected and proved to be up to the standards. The State shall, with respect to product quality, enforce a supervision and inspection system with random spot-checking. Producers and sellers cannot refuse legal supervision and inspection to the product quality. If the product quality is unqualified and unsatisfied, the Supervisor may, according to the case, demand the producer or seller to correct within a time limit, issue a warning notice, order the producer or seller to cease production and make rectification, revoke the business license of the producer or seller. Manufacturers shall be liable for the quality of the products they produce and sellers shall adopt measures to keep the products for sale in good quality. A manufacturer shall be liable for compensation if his defective product causes damage to human life or property other than the defective product itself. Where damage to human life or property is due to a product defect caused by the fault of a seller, the seller shall be liable for compensation.

There is no compulsory national standard of corrugated paperboard production. The Company currently adopts a trade standard called SN/T0262-93 "Rules for the inspection of transport packaging for export commodities-Corrugated fiberboard box" (《出口商品運輸包裝瓦楞紙箱檢驗規程SN/T0262-93》), which regulated the technique requirement, inspection items, sample and test methods of corrugated board box of transport packaging for export commodities. The abovementioned rules are applied to the inspection of single-corrugated board box ("單瓦楞紙箱") and double-corrugated board box ("雙瓦楞紙箱") for export commodities.

The Environmental Protection law of the People's Republic of China (《中華人民共和國環境保護法》)

The PRC Environmental Protection Law (the "Environmental Protection Law") was implemented on 26 December 1989, the competent department of environmental protection under the State Council is responsible for overall supervision and management of environmental protection in the PRC. It formulates national standards for discharging waste materials and environmental protection and monitors the PRC environmental protection system. Environmental protection bureaus at the county level and above are responsible for environmental protection within their respective areas of jurisdiction.

The Environmental Protection Law requires all operations that produce pollutants or other hazards to take environmental protection measures, and to establish an environmental protection responsibility system and adopts effective measures to control and properly dispose of waste gas, waste water, waste residue, dust or other waste materials. Any enterprise or institution that discharges waste material must report to and register with the relevant environmental protection authority.

If an enterprise or institution fails to report or provides false information about the environmental pollution caused by it, it will receive a warning or be penalised. An enterprise or institution that has failed to eliminate or control pollution by the deadline as required shall, as provided by the State, pay a fee for excessive discharge; in addition, a fine may be imposed on it on the basis of the damage incurred, or the enterprise or institution may be ordered to suspend its operations or close down.

Enterprises which have polluted and endangered the environment must bear the responsibility for remedying the danger and effects of the pollution, as well as to compensate any losses or damages suffered as a result of such environmental pollution. Material violation of the Environmental Protection Law that causes a serious environmental pollution accident, leading to the grave consequences of heavy losses of public or private property or human injuries or deaths of persons may attract criminal liability.

Law of the People's Republic of China on the Prevention and Control of Water pollution (《中華人民共和國水污染防治法》)

The Law of the People's Republic of China on the Prevention and Control of Water Pollution (the "Water Pollution Law") was promulgated on 11 May 1984 and revised on 15 May 1996. It is the legal framework for the prevention and control of water pollution in respect of terrestrial and underground water from rivers, lakes, canals, channels and reservoirs. Environmental protection divisions under local people's governments are vested with the function to supervise and administer the prevention and control of water pollution, whilst the competent department of environmental protection under the State Council is in charge of the formulation of water quality standards and pollutant discharge standards.

Any enterprise or institution that discharges water pollutants is subject to a discharge fee in accordance with the relevant regulations and an excess-pollutant discharge fee in case of discharges in excess of the prescribed level and has to take corrective measures. The urban centralised water pollutants disposal enterprise or institution which has paid a water pollutants disposal fee to the said enterprises or institutions is not subject to a discharge fee.

Failure to comply with the Water Pollution Law will subject to a warning notice or a penalty payment as determined by competent department of environmental protection, and based on the decision determined by the local people's government, the non-complying entity will subject to suspension of operations or closure of business. Any entity that causes water pollution is obliged to ensure elimination of the pollution and compensate the loss suffered by any entity or individual.

Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)

The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution was implemented on 5 September 1985 and was amended on 1 September 2002, which provides supervision and management of the prevention and control of atmospheric pollution. Pursuant to the aforesaid law, the administrative department of environmental protection under the State Council shall establish national standards for the discharge of atmospheric pollutants. New construction projects, expansion or reconstruction projects that discharge atmospheric pollutants shall comply with the State regulations concerning environmental protection for such projects. Any facilities for the prevention of air pollution which do not meet the required standards are prohibited from being used. Every entity discharging atmospheric pollutants shall report to the local administrative department of environmental protection its existing discharge and treatment facilities for pollutants and the categories, quantities and concentrations of pollutants discharged under normal operating conditions. The concentration of the pollutants discharged by such entity may not exceed the national or local standards and fees for discharging pollutants shall be charged.

Regulation on Management of Environmental Protection for the Construction Projects (《建設項目環境保護分類管理條例》)

Under the Regulation on Management of Environmental Protection for the Construction Projects (《建設項目環境保護分類管理條例》) and the Law on Environmental Impact Appraisal of the People's Republic of China (《中華人民共和國環境影響評價法》) which were promulgated in November 1998 and October 2002 respectively, the PRC government has set up a system to appraise the environmental impact for construction projects and administer environmental impact appraisal based on the degree of environmental impact. Construction units shall submit the environmental impact documents to the relevant environmental authorities for approval, and must not commence the construction without relevant approval.

According to the Classified Directory for Environmental Protection Administration of Construction Project (《建設項目環境保護分類管理名錄》), paper manufacturing units are required to submit environmental impact reports to the relevant environmental authorities for approval, and must not commence the construction without relevant approval.

Regulation on the Protection of Environment of the Shenzhen Special Economic Zone (《深圳經濟特區環境保護條例》)

The Regulation on the Protection of Environment of the Shenzhen Special Economic Zone was implemented on 16 September 1994 and amended on 3 March 2000, which provides specific rules for the protection of environment and prevention of pollutions which are applicable to Shenzhen. Individual or entity which discharges pollutants shall register its pollutant-discharging facilities, the type, quantity, concentration, strength, method and direction of discharge under normal operating conditions and prepare a statistical report. Such individual or entity shall also apply for the Pollutant-discharging Permit (《污染物排放許可證》) and be liable for paying a fee for discharging pollutants.

Law of the People's Republic of China on Employment Contracts (《中華人民共和國勞動合同法》)

The Law of the People's Republic of China on Employment Contracts came into force on 1 January 2008. This law governs the establishment of employment relationships between, and the conclusion, performance, amendment, termination and ending of employment contracts by, organisations such as enterprises, individual economic organisations and private non-enterprise units in the PRC ("the Employer") on the one hand and employees ("the Employee") in the PRC on the other hand.

The employment relationship is established on the date that the Employer starts using the Employee and a written employment contract shall be concluded. Employment contracts are divided into fixed-term employment contracts, open-ended employment contracts and employment contracts to expire upon completion of a certain job. If the Employee has been working for the Employer for a consecutive period of not less than ten years, or prior to the renewal, a fixed-term employment contract was concluded on two consecutive occasions, an open-ended employment contract should be concluded, unless the Employee requests the conclusion of a fixed-term employment contract.

When the employment contract is terminated, the Employer shall pay the Employee severance pay. The severance pay based on the number of years that the Employee worked with the Employer at the rate of one month's wage for each full year worked. Any period of not less than six months but less than one year shall be counted as one year. The severance pay payable to the Employee for any period of less than six months shall be one-half of his monthly wages.

Staffing firms shall be established in accordance with the relevant provisions of the company law and have registered capital of not less than RMB500,000. When placing the Employee, staffing firms shall enter into staffing agreements with the units that accept the Employee under the placement arrangements ("Accepting Units"). And the staffing firms should conclude the employment contracts with the Employee to be placed. The employment contracts between staffing firms and the Employee to be placed shall be fixed term employment contracts with a term of not less than two years and staffing firms shall pay labor compensation on a monthly basis. Both of staffing firms and the Accepting Units may not charge fees from the Employee placed. The Employer may not establish staffing firms to place the Employee with themselves or their subordinate units.

The State Council's labour administration authority shall be responsible for overseeing the implementation of the employment contract system nationwide. The labour administration authorities of local people's governments at the county level and above shall be responsible for overseeing the implementation of the employment contract system in their respective jurisdictions. The Employee whose lawful rights and interests have been infringed upon shall have the right to request that the relevant authority deal with the infringement according to law, or to apply for arbitration and institute an action according to law. If the Employer's rule or regulation with a direct bearing on the immediate interests of the Employee, the labor administration authority shall order rectification and give a warning to the Employer. The Employer that caused harm to the Employee will be liable for damages. If the circumstance is serious, the Employer shall be subjected to administrative punishment or criminal liability according to law.

Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and Return Investment via Overseas Special Purpose Companies ("Notice 75") (《關於境內居民通過境外特殊目的公司融資及返程投資外滙管理有關問題的通知》)

Notice 75 was implemented on 1 November 2005. This notice provides that a domestic resident legal person or domestic resident natural person ("domestic resident") has to register foreign exchange registration of overseas investments at local foreign exchange administration, when the domestic resident use its/his enterprise assets or interests inside China to engage in stock right financing and in return investment via overseas special purpose companies.

As advised by the PRC Legal Advisers, Mr. Chong is a holder of Hong Kong identity card and Perfect Group is not a special purpose vehicle within the meaning under Notice 75. Further, the Reorganisation is not a return investment within the meaning under Notice 75. As such, Mr. Chong is not required to follow the foreign exchange registration requirements under Notice 75.

Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)

Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors were implemented on 8 September 2006. This regulation applies to a foreign investor purchases the stock right of a shareholder of a non-foreign-invested enterprise in China (domestic company) or capital increase of a domestic company so as to convert and re-establish a domestic company as a foreign-invested enterprise (equity merger and acquisition); or, a foreign investor establishes a foreign-invested enterprise and purchases and operates the assets of a domestic enterprise by the agreement of that enterprise, or, a foreign investor purchases the assets of a domestic enterprise by agreement and uses this asset investment to establish a foreign-invested enterprise and operate the assets merger and acquisition).

The foreign investor merger with and acquisition of domestic enterprises shall comply with the requirements stipulated by laws, administrative regulations and rules of China, and the Guiding Catalogue of Foreign Invested Industry. To an industry that is not allowed to be operated by a sole foreign investor, its merger and acquisition shall not result in foreign investor holding the enterprise's entire equity. To an industry that needs Chinese party to have the holdings or have relative holdings, and the Chinese party shall maintain its holdings or relative holdings in the enterprise after the enterprise in that industry is merged and acquired. To an industry that is forbidden to be operated by a sole foreign investor, the foreign investor shall not merge with or acquire any enterprise in that industry.

The PRC Legal Advisers further advise that the "Provisions on the Acquisition of Domestic Enterprises by Foreign Investors" (the "Provisions on Acquisition") principally apply to the direct or indirect acquisition of PRC domestic enterprises by foreign investors. As both Come Sure Shenzhen and Bright Leader Shenzhen are wholly foreign owned enterprises directly invested by foreign investors, there does not exist acquisitions of Come Sure Shenzhen or Bright Leader Shenzhen or acquisitions of other PRC domestic enterprises through Come Sure Shenzhen or Bright Leader Shenzhen. Accordingly the Provisions on Acquisition do not apply to the Share Offer.

OVERVIEW

The Group is principally engaged in the manufacturing and sale of corrugated paperboards and paper-based packaging products to customers which are manufacturers with production base in the PRC for approximately 20 years. Founded in Hong Kong, the Group began the manufacturing and sale of corrugated cartons in 1989 and corrugated paperboards in 1992.

The Directors believe that the Group is competitive and well positioned in the industry in view of the Group's product range including corrugated paperboards, paper-based packaging products, substandard paperboards and scraps, long-term relationship with customers of internationally recognised brand name and suppliers as well as in-depth knowledge and experience of the Group's management in the corrugated packaging products business.

Customers of the Group's corrugated paperboards include manufacturers of corrugated carton. Customers of the Group's paper-based packaging products mainly include consumer products manufacturers of renowned brands in various industries, and/or their manufacturing arm or OEM, which use the Group's products for packaging purposes. In order to satisfy specific product requirements and production schedules of customers, the Group provides or advises them on structural design of corrugated carton. In addition, the Group sells its substandard paperboards and scraps to corrugated carton manufacturers, paper mills and scrap dealer.

During the Track Record Period, the Group was one of the largest customers of the Lee & Man Group and the Nine Dragons Group, two leading paper mills in the PRC and the shares of each of their respective holding company are listed on the Main Board. The Group has established long-term business relationship with its major suppliers and thus is able to stabilise the cost and supply of raw papers.

The Group has established its production base which is composed of the Three Production Plants in Shenzhen in the PRC with an aggregate annual production capacity of approximately 284 million sq.m. of corrugated paperboards and approximately 250 million pieces of corrugated cartons. A new production plant is expected to be built in Huizhou, Guangdong Province, the PRC by July 2010. Production is expected to commence by October 2010, contributing to the Group an additional annual production capacity of corrugated paperboards of approximately 100 million sq.m. and corrugated cartons of approximately 100 million pieces, and a new annual production capacity of moulded pulps of approximately 1,000 tonnes as well.

COMPETITIVE STRENGTHS

The Group considers that its achievements are principally attributable to the following competitive strengths of the Group:

- **Long operating history and good reputation in the packaging industry**

  The Group has approximately 20 years history in the manufacturing and sale of corrugated paperboards and paper-based packaging products. Come Sure

Shenzhen has obtained awards and recognitions from various independent organisations for its product quality and market position. In June 2002, Come Sure Shenzhen obtained "Excellence Award for Printing" (印刷精品獎) from the Printing Technology Association of China (中國印刷技術協會) for the good quality of its flexo printing on corrugated cartons. In February 2004, Come Sure Shenzhen was ranked 13th in the "Top Hundred Enterprises (Package Printing Type) in Guangdong Province" (廣東省印刷百強企業包裝印刷類第十三名) for the year of 2003 by the Printing and Replicating Industrial Association of Guangdong (廣東印刷複製業協會, formerly known as the Printing Association of Guangdong (廣東印刷協會)), Come Sure Shenzhen was ranked 26th, 27th, 25th and 29th in the "Top Hundred Printing Enterprises in the PRC" (中國印刷企業100強) for the year of 2005, 2006, 2007 and 2008 respectively by Printing Manager Annual Conference (印刷經理人年會). In November 2007, Come Sure Shenzhen was awarded "New Products, New Technologies, New Development Award" (新產品、新技術、新工藝開發獎) and "Innovative Enterprise Award" (企業創新獎) by Shenzhen Packaging Profession Association (深圳市包裝行業協會). These awards demonstrated that Come Sure Shenzhen is one of the sizable and reputable enterprises in the packaging industry in the PRC, thus enabling the Group to expand its business and market share.

- **Solutions for paper-based packaging products**

The Group provides packaging solutions to meet customers' specific requirements for packaging products, which differentiates the Group from many traditional corrugated carton manufacturers which basically produce corrugated cartons in accordance with the designs and specifications of customers.

The Group offers a range of paper-based packaging products. Apart from corrugated paperboards and cartons, the Group's product range extends to folded cards, pallets, display racks and instruction leaflets. The Group also advises or provides innovative structural design of corrugated carton so as to provide protective, space-and-cost-saving packaging product.

With the capability to provide the above solutions to customers, the Directors consider that the Group is able to build up and maintain close and long-term business relationship with its customers.

- **Diversified and strong customer base**

The Group has a customer base with over 250 customers in various industries including electronic and electrical appliances, garment, furniture, food and beverages, toys, medicine as well as audio and video products. With such a diversified customer base, the Group is able to avoid over-reliance on any particular customer or industry and, accordingly is able to generate relatively stable revenue stream during peak and low seasons of different industries.

Customers of the Group mainly include manufacturers of corrugated carton, manufacturers who use the Group's products for packaging purposes, and the manufacturing arm or OEM of renowned brands of consumer products in various

industries, such as Jinlongyu (金龍魚), one of the major cooking oil producers in the PRC, in the food and beverages industry, Philips (飛利浦) in electronic appliances, audio and video products industry. Such well penetrated and solid customer base can provide a favourable foundation for the Group to develop and expand its business.

- **Strong production capability**

Automatic corrugated paperboard production lines are installed in the First Production Plant and the Second Production Plant in Shenzhen in the PRC. As at the Latest Practicable Date, the two plants had a total production capacity of approximately 284 million sq.m. of corrugated paperboards per annum and approximately 118 million pieces of corrugated cartons per annum. The Third Production Plant had a total production capacity of approximately 132 million pieces of corrugated cartons per annum. The Group has made considerable amount of investments in plant and machinery including those imported from Europe and Japan. Due to high production efficiency and close proximity of its production facilities to the production bases of its customers, the Group is able to produce and deliver products to customers on a timely basis.

- **Good relationship with suppliers**

The Group has maintained good and long-term relationship with its local and overseas suppliers. Among others, the Group has more than nine years business relationship with two major suppliers of raw paper, namely Nine Dragons Group and Lee & Man Group. These two suppliers are two of the largest paper mills in the PRC and the shares of each of their respective holding company are listed on the Main Board. The Group has been given competitive pricing and credit terms and stable supply from these two suppliers, which in turn allows the Group to offer competitive pricing to its customers and meet customers' product specifications and delivery schedules on a timely basis.

- **Stringent quality control**

The Group has adopted, and has required the Processing Partner to adopt stringent quality control measures throughout the entire production process which include sample testing of raw paper texture and random inspection of quality at each stage of production. Come Sure Shenzhen also has two laboratories for sample testing of raw paper texture before production and sample testing of finished products before delivery.

As at the Latest Practicable Date, both Come Sure Shenzhen and the Processing Partner have been accredited with the internationally recognised ISO9001 certification in respect of the quality management system they operate. The Directors believe that the Group has maintained good reputation for product quality among the packaging industry as a result of its continual adherence to stringent quality control procedures.

- **Strong management team with in-depth knowledge in the paper-based packaging industry**

The Group's continued success is attributable, to a large extent, to its strong and experienced management team led by Mr. Chong. The management team has in-depth knowledge of the paper-based packaging products and maintains good relationship with its customers and suppliers. In particular, Mr. Chong, the founder, an executive Director, President of the Group and the Chairman of the Board, has almost 20 years of experience and knowledge in the corrugated paper industry and packaging requirements for various industries such as electronic appliances, food and beverages as well as garment. The senior management not only possesses extensive experience and profound knowledge of the paper-based packaging industry in the PRC, but also understands the needs of the Group's customers which enable the Group to maintain its competitive edges over its competitors.

HISTORY AND DEVELOPMENT

Before founding the Group, Mr. Chong set up Come Sure Development in Hong Kong with certain partners in 1987 to produce and sell corrugated products in Shenzhen, the PRC. The Group was founded by Mr. Chong after he and his spouse, Ms. Chan Po Ting acquired the interests in Come Sure Development from those partners and they became the shareholders of Come Sure Development in 1989.

In December 1992, Come Sure Shenzhen was established by Come Sure Development in the PRC as the manufacturing arm of the Group which set up the First Production Plant in Shenzhen, the PRC to produce corrugated paperboards and paper-based packaging products.

In August 1995, Come Sure Holdings was incorporated in the BVI. In September 1995, Mr. Chong and his spouse, Ms. Chan Po Ting, transferred the entire interest in Come Sure Development to Come Sure Holdings' direct wholly-owned subsidiaries, Central Master Limited and Central Dragon Limited. After the said transfer, Come Sure Holdings became the indirect holding company of Come Sure Development and engaged in the trading of the finished goods manufactured by Come Sure Shenzhen.

In February 1996, Come Sure Shenzhen was accredited with ISO 9002 certification.

In June 2000, the Second Production Plant in Shenzhen was established and commenced commercial production of corrugated paperboards and paper-based packaging products. The Directors consider that reputation of the Group in the industry helps to attract orders from manufacturers of well-known customer products in the PRC such as Jinlongyu (金龍魚) and Philips (飛利浦).

In 2001, the quality management system of Come Sure Shenzhen was accredited with ISO 9001 and ISO 14001 certifications.

In September 2002, the Group entered into the Processing Agreement to establish the Third Production Plant in Shenzhen to manufacture offset printed cartons and other paper-based packaging products. The Third Production Plant commenced commercial production in May 2003 and principally engaged in the manufacture of offset printed cartons, a new product of the Group, which captured orders from international conglomerates of consumer products such as Philips (飛利浦). In August 2003, the quality management system of the Processing Partner in respect of the Third Production Plant was accredited with ISO 9001 certification.

In January 2005, the Group incorporated Chance Bright and Come Sure Macau as procuring and trading arm of the Group respectively. Chance Bright and Come Sure Macau are offshore commercial service institutions incorporated under the Decree-Law No. 58/99/M of Macau. Each of the companies has its own physical office in Macau, hires local employees and has its own banking facilities in Macau. Since Chance Bright and Come Sure Macau target on non-Macau customers and transactions are denominated in non-Macau currency, according to the Decree-Law, they are exempted from Macau complementary tax (profits tax), Macau industrial tax and Macau stamp duty levies relating to offshore business.

The companies comprising the Group underwent the Reorganisation to rationalise the Group's structure in preparation for the Listing, pursuant to which the Company was incorporated in the Cayman Islands in March 2006 and became the ultimate holding company of all the subsidiaries. The Reorganisation started with the streamlining of the overall group structure by disposing of companies which did not have substantial operation. The Group then underwent a rationalisation of the shareholdings of Wah Ming and several Group companies were subsequently injected into Jumbo Match. Details of the Reorganisation are set forth under "Corporate Reorganisation" in Appendix VI to this prospectus.

On 16 May 2006, Rich Growth and the Company, among others, entered into a subscription agreement (as amended by a supplemental agreement dated 21 December 2007, collectively the "Subscription Agreement") pursuant to which Rich Growth subscribed for certain Shares, representing 10.35% of the issued share capital in the Company (the "Subject Shares"), for a cash consideration of HK$23,280,000. The consideration was negotiated on an arm's length basis between the parties to the agreement by reference to, among others, the unaudited combined net assets value of the Group as at 31 December 2005, future prospects of the business of the Group and risks associated with the investment of Rich Growth. The Subscription Agreement was completed and Rich Growth became a financial investor of the Company.

In early 2008, the Group established Keen Rise and set up a new sales team of 3 staff having relevant sales experience in the paper-based packaging products market in Hong Kong to further explore the paper-based packaging products market in Hong Kong. The team commenced to bring in new income stream to the Group since April 2008.

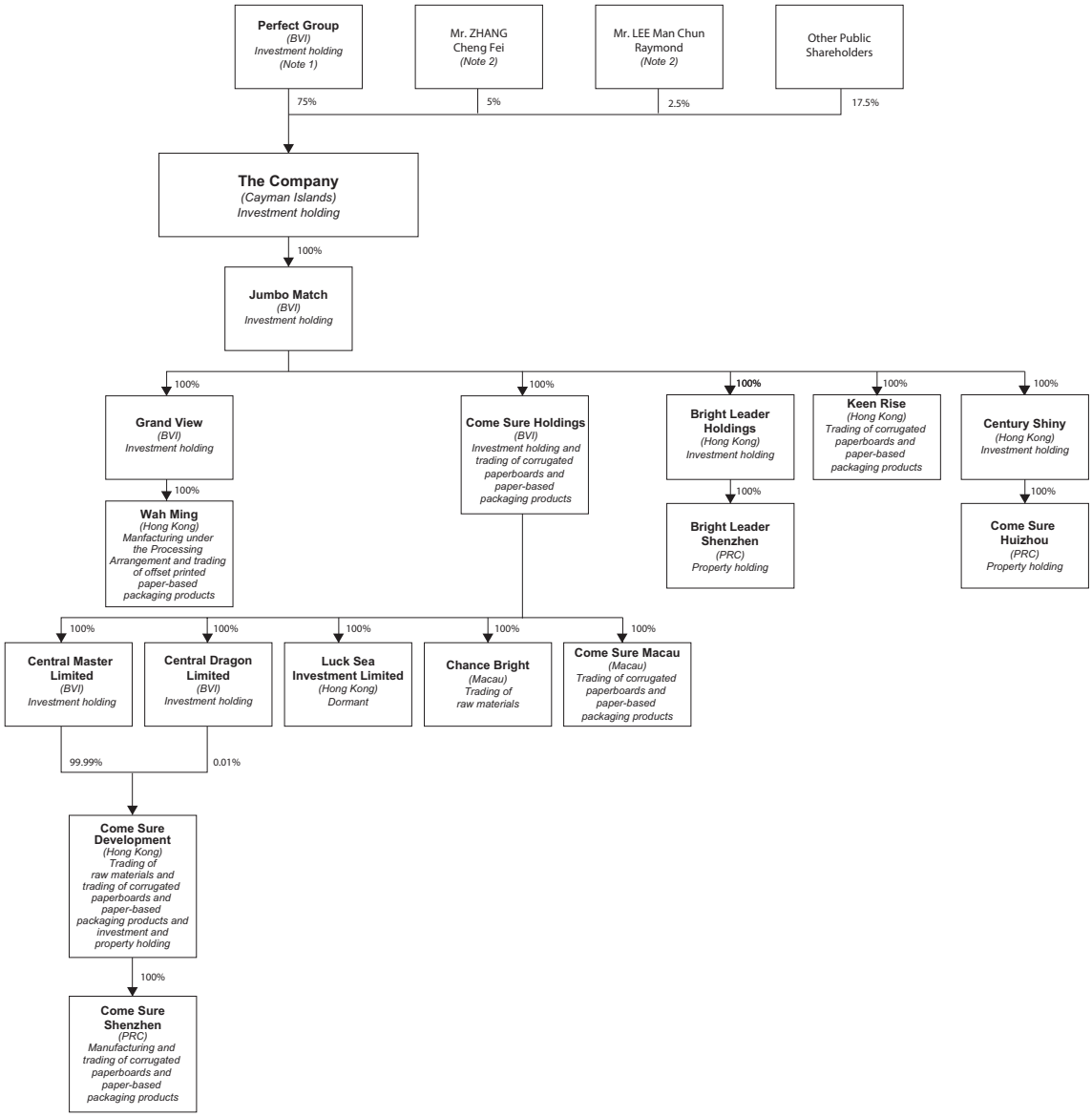
In May 2008, Mr. ZHANG Cheng Fei and Mr. LEE Man Chun Raymond, being the executive director and deputy chief executive officer of Nine Dragons Paper (Holdings) Limited and the executive director and chief executive officer of Lee and Man Paper Manufacturing Limited respectively, agreed to subscribe conditionally for the Placing Shares, equivalent to 5% and 2.5% of the enlarged issued share capital of the Company upon Listing respectively, at the Offer Price.

On 5 November 2008, Rich Growth exercised the put option granted to it under the Subscription Agreement to sell the Subject Shares to Perfect Group for a cash consideration of HK$26,073,600, being the subscription price of the Subject Shares plus a premium of 12%. On 4 December 2008, the parties to the Subscription Agreement executed a settlement deed to the effect that upon completion of the said sale and purchase of the Subject Shares, *inter alia*, each party's liabilities and obligations under the Subscription Agreement and the related deed of tax indemnity should be fully released and discharged. The said sale and purchase of the Subject Shares was completed on 5 December 2008.

On 30 January 2009, the Group entered into an agreement with Mr. Chong to acquire the entire issued share capital of Century Shiny, through which to obtain the land use right of the Huidong Land for the establishment of the new production plant in Huidong County in Huizhou in Guangdong Province, at a cash consideration of approximately HK$865,000 which was equivalent to the consideration received from Mr. Chong when the Group disposed of the entire issued capital of Century Shiny to Mr. Chong in November 2006. At the same time, the Group acquired a shareholder's loan in the amount of approximately HK$28,395,000 at cost owed by Century Shiny to Mr. Chong.

SHAREHOLDING AND CORPORATE STRUCTURE

The following diagram illustrates the shareholding and corporate structure of the Company immediately following completion of the Reorganisation, the Share Offer and the Capitalisation Issue and assuming that no Shares have been issued pursuant to the exercise of the options that may be granted under the Share Option Scheme:



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 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. Ms. Chan Po Ting is the spouse of Mr. Chong whereas Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam are the sons of Mr. Chong.

2. On 27 May 2008 and 24 May 2008, Mr. ZHANG Cheng Fei, being executive director and deputy chief executive officer of Nine Dragons Paper (Holdings) Limited and Mr. LEE Man Chun Raymond, being executive director and chief executive officer of Lee and Man Paper Manufacturing Limited, entered into a separate subscription agreement with the Company, among others, respectively, pursuant to which Mr. ZHANG Cheng Fei and Mr. LEE Man Chun Raymond agreed to subscribe conditionally for the Placing Shares, equivalent to 5% and 2.5% of the enlarged issued share capital of the Company respectively, upon Listing at the Offer Price. Mr. Zhang Cheng Fei and Mr. Lee Man Chun Raymond will be regarded as public Shareholders. For details of the abovementioned subscriptions, please refer to the section headed "Financial Investors" in this prospectus.

PRODUCTS

Principal products of the Group include corrugated paperboards and paper-based packaging products. The following table sets forth a breakdown of the Group's turnover by products during the Track Record Period:

	Year ended 31 March						Six months ended 30 September	
	2006		2007		2008		2008	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Corrugated paperboards	251,723	43.8	271,198	42.2	325,311	48.9	162,125	41.3
Paper-based packaging products	307,627	53.5	355,412	55.2	324,390	48.7	220,683	56.3
Substandard paperboards and scraps	15,521	2.7	16,588	2.6	15,966	2.4	9,375	2.4
Total	574,871	100	643,198	100	665,667	100	392,183	100

Corrugated paperboards



The Group manufactures corrugated paperboards of different size, shape, thickness and strength according to its customers' specifications, among which single-wall or double-wall corrugated paperboard are principally produced by the Group. The corrugated paperboard is made by adhering linerboards to corrugated medium and is sold to corrugated carton manufacturers. Corrugated paperboard is a durable, versatile, economical and light weight material and therefore is widely applied in making packaging containers for transportation and storage, pallets for bulk handling as well as point-of-purchase display rack.

Paper-based packaging products

The Group manufactures and sells a variety of paper-based products for packaging, bulk handling as well as point-of-purchase display. They mainly include corrugated cartons and other ancillary products such as folded cards and instruction leaflets, as well as other products such as paper-made pallets and display racks.

Corrugated carton produced by the Group is suitable for many types of contents. It is made of corrugated paperboard which is die-cut into the required shape and size, then be folded and glued to form a container box. As a consumer product package, logos, brands or graphics are flexo or offset printed on corrugated cartons according to customers' specifications to enhance appearance of corrugated cartons to attain marketing and advertising purposes.

To supplement its corrugated carton, the Group manufactures and sells inner paper packaging products, including mainly paper-made folded cards and instruction leaflets. These products are often sold in conjunction with corrugated carton as a set of product.

The Group also produces paper-made pallets for easy loading or uploading of heavy or bulky products by forklifts, and display racks which are specifically designed paper stands for product display.

Protectiveness of a corrugated carton is determined by a number of factors, among others, the types of corrugated paperboard in terms of intensity, flute size, endurance to external force, edgewise compression strength, vibration and moisture content used to produce the carton, and the structural design. One which is fit for the content is not only protective and space-saving but also transportation-and-storage-cost saving. The Group leverages its in-depth knowledge and experience to provide, or advise its customers on, selection of corrugated paperboard and structural design of corrugated carton with an aim to provide them with protective, space-and-cost-saving and eye-catching packaging products.



Flexo printed corrugated carton



Offset printed corrugated carton



Folded card



Paper-made pallets



Display rack

Substandard paperboards and scraps

Substandard paperboards are corrugated paperboards generated during production which cannot meet the Group's quality control standards and are mainly sold to other corrugated carton manufacturers. Normal raw paper spoilage or scraps which are remain generated during production are sold to paper mills or scrap dealer.

PRODUCTION FACILITIES

During the Track Record Period, the Group itself, and through the Processing Partner, carried out production in the Three Production Plants which were located in Shajing Town, Baoan District, Shenzhen, the PRC occupying a total gross floor area of approximately 88,334 sq.m., details of which are set forth in the table below. All the machinery and equipment in the production lines, and the production capacity of which, are owned by the Group. In addition, a new production plant will be built in Huizhou, Guangdong Province, the PRC.

Plants *(Note)*	**Approximate gross floor area** *('000 sq.m.)*	**Date/Expected date of commencement of operation**	**Principal products**
First Production Plant	14.3	December 1992	Corrugated paperboards and cartons with/without flexo printing
Second Production Plant	46.5	June 2000	Corrugated paperboards and cartons with/without flexo printing
Third Production Plant	27.6	May 2003	Offset printed corrugated cartons
New production plant in Huizhou	105.8	October 2010	Corrugated paperboards and cartons with/without flexo printing and moulded pulps

Note: The First Production Plant is owned by the Group. The Second Production Plant is leased by the Group from an Independent Third Party for a 5-year term up to May 2013 as agreed on an arm's length basis. The Group is entitled to a first right of renewal under equal condition to be exercised by it before expiry of such lease. The Third Production Plant which is leased by the Processing Partner from an Independent Third Party for a 5-year term up to May 2013 as agreed on an arm's length basis, has been used as a production base to manufacture the Group's products under the Processing Arrangement. The Processing Partner is entitled to a first right of renewal under equal condition to be exercised by it before expiry of such lease. The PRC Legal Advisers confirm that both the Group and the lessor of the Second Production Plant and the Third Production Plant have obtained valid title documents of the respective production plants, and the leases have been duly registered with the relevant PRC authorities and are legal, valid and enforceable.

During the Group's peak season for production from June to November, utilisation rate of most of the Group's production facilities in the First Production Plant and the Second Production Plant can reach around 70%. As advised by the Directors, the low utilisation rate of corrugated carton production line in the Third Production Plant for the financial year 2007 was mainly due to the increase in the production capacity of the Third Production Plant resulting from addition of three high speed printing presses which came into operation in the financial year 2007. Moreover, the unaudited sales in the second half of the year ended 31 March 2008 increased by 10.3% compared to corresponding period in the year ended 31 March 2007 as the customers have adjusted themselves to the sharp increase in raw paper price in the second half of the financial year 2008. In response to the

sharp increase in raw paper price in the financial year 2008, the Group increased the price of its products, resulting in a decrease in customers' orders in the first half of the financial year 2008 as compared with that in the first half of the financial year 2007. Slight decrease in customers' orders continued for the six months ended 30 September 2008 as both customers and the Group were more cautious of placing and accepting purchase orders respectively under the current global economic crisis. The following table sets forth details of the production lines, maximum designed production capacity, actual production volume and the average utilisation rate of the respective production capacity of the Three Production Plants[#] during the Track Record Period:

Production lines	Maximum designed production capacity as at the Latest Practicable Date	Remaining useful life of machinery (years) *(Note 3)*		Year ended 31 March 2006	2007	2008	Six months ended 30 September 2008
First Production Plant							
One 2.5m corrugated paperboards production line	18,000 sq.m./hour	3.5	Corrugated paperboard – designed production capacity (million sq.m.) *(Note 1)*	107	107	107	54
			– actual production (million sq.m.)	84	90	79	42
			– utilisation rate	79%	84%	74%	78%
Five corrugated cartons production lines with flexo printers	7,000 pieces/hour	0-8.5	Corrugated carton – designed production capacity (million pieces) *(Note 2)*	42	42	42	21
			– actual production (million pieces)	34	40	34	18
			– utilisation rate	81%	95%	81%	86%
Second Production Plant							
One 2.5m corrugated paperboards production line	18,000 sq.m./hour	1.5	Corrugated paperboard – designed production capacity (million sq.m.) *(Note 1)*	177	177	177	89
One 1.8m corrugated paperboards production line	12,000 sq.m./hour	3.5	– actual production (million sq.m.)	127	146	130	59
			– utilisation rate	72%	82%	73%	66%
Six corrugated cartons production lines including one six-colour flexo printer, four four-colour flexo printers and one two-colour flexo printer	12,500 pieces/hour	1.5-8.5	Corrugated carton – designed production capacity (million pieces) *(Note 2)*	65	76	76	38
			– actual production (million pieces)	50	58	38	15
			– utilisation rate	77%	76%	50%	39%
Third Production Plant							
Six corrugated cartons production lines with offset printing presses, including one six-colour, three five-colour and two two-colour printing presses	22,000 pieces/hour	4.5-8.5	Corrugated carton – designed production capacity (million pieces) *(Note 2)*	74	131	132	66
			– actual production (million pieces)	47	57	54	26
			– utilisation rate	64%	44%	41%	39%

[#] *The production of ancillary products such as folded cards, instruction leaflets, paper-made pallets and display racks share the production facilities of corrugated paperboards or corrugated cartons when orders are received. Hence, there is no information relating to production facilities of the ancillary products such as production capacity, actual production volume and utilisation rate.*

Notes:

1. The designed production capacity represents the annual capacity of a production facility, which is calculated by multiplying the estimated number of days in a calendar year/six-month period that such production facility is in operation (which in the Group's case are 300 days/150 days), taking into account downtime for regular maintenance, change of corrugators and other reasons arising from normal course of production, by the amount equal to the production facility's average speed per minute and the average paper width used in production.

2. The production process of corrugated carton involves more than one machinery and manual process. Hence, the annual designed production capacity is calculated by discounting the highest monthly production unit recorded during the year by the average downtime rate and average spoilage rate and then times 12 months/6 months.

3. The remaining useful life of principal machinery is based on the depreciation accounting policy adopted by the Group, and the Directors considered that all the principal machinery in above table are in good condition.

Production of corrugated paperboards and paper-based packaging products is capital intensive. During the Track Record Period, the Group purchased plant and machinery for a total amount of approximately HK$36.3 million, which included mainly flexo printers and offset printing presses mainly from Germany and the PRC. A new flexo-printing machine, of which the printing is considered to be compared favourably with that of offset-printing at lower cost, was acquired by the Group and commenced commercial production in March 2008. The new machine can operate at an optimal speed of 9,000 pieces of corrugated paperboard per hour.

The Group had a team of about 18 service technicians as at the Latest Practicable Date to maintain and repair its machinery and equipment which have an average life cycle of approximately ten years. The Group also procures maintenance and inspection services from suppliers of its key machinery and equipment in order to ensure proper operation of those machinery and equipment.

THE PROCESSING ARRANGEMENT

In order to response promptly to the then increasing demand, the Group has commenced manufacturing of offset printed products through the Processing Partner at the Third Production Plant since May 2003 under the Processing Agreement in order to save time for recruiting labour and acquiring plant. In addition, according to relevant tax regulations in Hong Kong, 50% of the profits generated by Wah Ming under this mode of manufacturing operations are treated as offshore and not taxable in Hong Kong. Principal terms of the Processing Agreement are set out below:

1. Parties involved[#] and primary responsibilities

Wah Ming	:	Wah Ming International Limited, an indirect wholly-owned subsidiary of the Company
The PRC Party	:	Shenzhen Fu Cheng Industry Company Limited (深圳市寶安富城實業有限公司), an Independent Third Party
The Processing Partner	:	Hua Yi Printing Factory (華藝印刷廠), an Independent Third Party
The Business Agent	:	Shenzhen Baoan Hong Bin Industry Company Limited (深圳寶安鴻彬實業有限公司), an Independent Third Party

The Directors confirm that, apart from the Processing Arrangement, the Group, the Shareholders, the Directors and their respective associates have no past or present business relationship with the PRC Party, the Processing Partner, the Business Agent and their shareholders and directors and their respective associates. As confirmed by the PRC Party, the Processing Partner and the Business Agent, they have no other business relationship with each other apart from the Processing Arrangement.

Under the Processing Agreement, during the period from January 2003 to September 2012, the PRC Party is responsible for forming the Processing Partner, in particular, (i) providing the factory premises, that is the Third Production Plant, which are equipped with water and electricity supply facilities; (ii) providing management, accounting and production labour to manage the daily operation and accounting of the Third Production Plant; and (iii) assisting the import and export procedures. Wah Ming is responsible for (i) providing raw materials, plant and machinery for production; (ii) providing staff training and supervising the management and production process; and (iii) paying a processing fee to cover the labour, rental and utility costs and also reimbursing other costs to the Processing Partner. The Business Agent is responsible for handling procedures for the import of production materials and export of finished goods, and handling settlement of processing fee.

The Processing Partner is formed under the Processing Arrangement for the manufacturing of products of Wah Ming and its operation is managed and controlled by the Group in both the operational and financial aspects. The Group has taken up all the assets and liabilities of the Processing Partner and all the income and expenses incurred by the Processing Partner during the Track Record Period.

2. Processing fee

A processing fee is payable by the Group monthly under the Processing Agreement, which is calculated principally based on labour, rental and utility cost incurred by the Processing Partner. The processing fee will be paid to the Business Agent for deduction of a management fee, which is a general fee charged by the PRC government authority from processing factories in Baoan, Shenzhen, and a business agency fee charged by the Business Agent, and the remaining balance will be transferred to the Processing Partner. The Group also reimburses the Processing Partner all other costs incurred for the Processing Arrangement. During the Track Record Period, other costs reimbursed by the Group to the Processing Partner mainly included printing, testing charges, salaries and allowances, entertainment, traveling expenses, social security contributions, consultation fees, staff messing and welfare and other miscellaneous administrative expenses.

For the three years ended 31 March 2008 and the six months ended 30 September 2008, the processing fee and reimbursement was approximately HK$16.4 million, HK$22.6 million, HK$21.2 million and HK$11.0 million respectively, which was mainly composed of rental payment of approximately HK$3.4 million, HK$3.6 million, HK$4.0 million and HK$2.1 million, labour cost of approximately HK$7.1 million, HK$8.9 million, HK$9.0 million and HK$4.5 million, and utility expenses of approximately HK$2.1 million, HK$2.5 million, HK$2.4 million and HK$1.5 million respectively.

For the three years ended 31 March 2008 and the six months ended 30 September 2008, the management fee was approximately HK$153,000, HK$217,000, HK$358,000 and HK$207,000 respectively, which was calculated based on a fixed portion of the monthly processing fee multiplied by a fixed rate of approximately 17% charged by the PRC government authority. For the three years ended 31 March 2008 and the six months ended 30 September 2008, the business agency fee paid to the Business Agent was approximately HK$40,000, HK$59,000, HK$84,000 and HK$49,000 respectively, which was calculated based on the monthly processing fee multiplied by a fixed rate of approximately 3% as required under relevant PRC rules and regulations.

3. Fixed assets:

As at 30 September 2008, the Group has provided fixed assets including plant and equipment amounting to an aggregate net book value of approximately HK$42.8 million to the Processing Partner to carry out production under the Processing Arrangement. Those fixed assets are owned by the Group.

4. Details of the production premises:

The Processing Partner has leased the Third Production Plant as the factory premises under the Processing Agreement up to 19 May 2013 with a monthly rental of approximately RMB319,000. The Third Production Plant is located at Keng Wei Tang San Lu, Shajing Town, Baoan District, Shenzhen (深圳寶安區沙井鎮坑尾塘三路) and comprises industrial buildings with a total gross floor area of approximately 27,621 sq.m. As advised by the PRC Legal Advisers, the lessor of the Third Production Plant possesses all the legal title documents of the land and buildings of the Third Production Plant. The lease of the Third Production Plant has been duly registered with relevant PRC authorities and is legal, valid and enforceable. To the best knowledge of the Directors, the lessor of the Third Production Plant is not related to the Group, the Processing Partner, the Business Agent and their respective shareholders, directors and their respective associates.

5. Number of labour:

The following is a breakdown of the labour of the Processing Partner by functions as at the Latest Practicable Date.

Management	1
Finance and administration	42
Production	247
Quality control	33
Logistics	31
	354

As confirmed by the Directors and further advised by the PRC Legal Advisers, the Processing Partner has direct contractual relationship with all the labours of the Processing Partner, and the social security payment of those labours is borne by the Group. As further confirmed by the PRC Legal Advisers, the Processing Partner has the capacity to enter into the employment contracts with the labour of the Processing Partner. Those employment contracts entered into between the Processing Partner and its labour are legal, valid and enforceable under the relevant PRC laws and regulations, and the terms and legal protection offered under which comply with the relevant PRC labour laws and regulations.

6. Management and operation of the plant:

The PRC Party is responsible for providing management, accounting and production labour as staff to the Processing Partner to manage the daily operation of the Third Production Plant under the labour employment guidelines of the Group pursuant to the Processing Agreement. The Group has dedicated a team of 3 management staff to station at the Third Production Plant to supervise the management and operation of the plant and provide technical guidance and conduct quality inspection at different production stages.

7. Arrangement on termination of the Processing Agreement:

Early termination of the Processing Agreement or extension of it before/upon the expiry of term can be made by providing a three-month notice to the other party.

Upon termination of the Processing Agreement, all the assets, in particular, machinery in the production lines and stock will be returned to Wah Ming. All the liabilities incurred under the Processing Arrangement will be borne by the Group.

The Directors consider that early termination or non-renewal of the Processing Agreement such that the Group will not be able to use the Third Production Plant will not have a material adverse impact on the Group's operation. The Second Production Plant is located adjacent to the Third Production Plant and has enough space to accommodate all existing production lines of the Third Production Plant. Hence, the production lines can be relocated from the Third Production Plant to the Second Production Plant on a timely basis so as to minimise any disruption to the Group's production schedule due to the relocation.

8. Revenue contribution under the Processing Arrangement:

For the three years ended 31 March 2008 and the six months ended 30 September 2008, the revenue generated by the products manufactured under the Processing Arrangement amounted to approximately HK$96.9 million, HK$109.4 million, HK$112.8 million and HK$68.1 million, representing approximately 16.9%, 17.0%, 16.9% and 17.4% of the Group's total turnover respectively.

9. PRC legal opinion:

According to the PRC Legal Advisers, the Processing Arrangement is valid, subsisting and enforceable under the PRC law and the Group (through Wah Ming) is entitled to continue its production under the Processing Arrangement in the form and manner as currently undertaken by it.

As advised by the PRC Legal Advisers, under the Processing Arrangement, the Processing Partner is responsible for any claims or liabilities with regard to work safety, environmental protection and labour related issues of it or any other reasons under the applicable PRC laws and regulations. In light of the management and supervisory roles assumed by the Group in relation to the overall operation of the Processing Partner, the Group may also in practice be held liable in respect of the aforesaid claims or liabilities jointly with the Processing Partner. The Processing Partner will be held liable for and the Group may also in practice be held liable for any claim and liability arising out of negligence of the PRC Party under the Processing Arrangement.

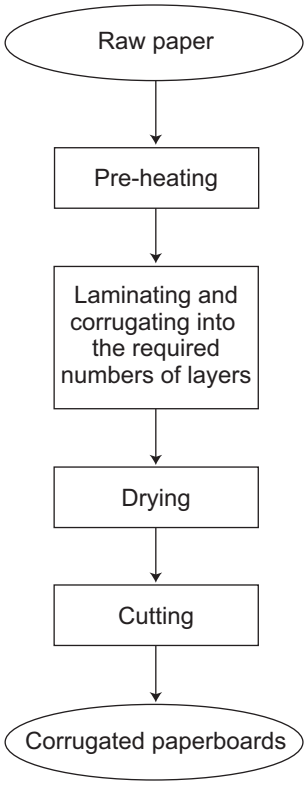
As confirmed by the Directors and the PRC Legal Advisers, they were not aware of any claims which the Group may be held responsible for arising out of the negligence of the Processing Partner and the PRC Party under the Processing Agreement as at the Latest Practicable Date.

The PRC Legal Advisers and the Directors confirm that the Group and the Processing Partner have obtained all necessary licenses, permits or certificates, and have complied with all applicable laws and regulations in respect of the operation under the Processing Arrangement during the Track Record Period, except for the disclosures under the sub-section headed "Insurance" in this section.

PRODUCTION PROCESS

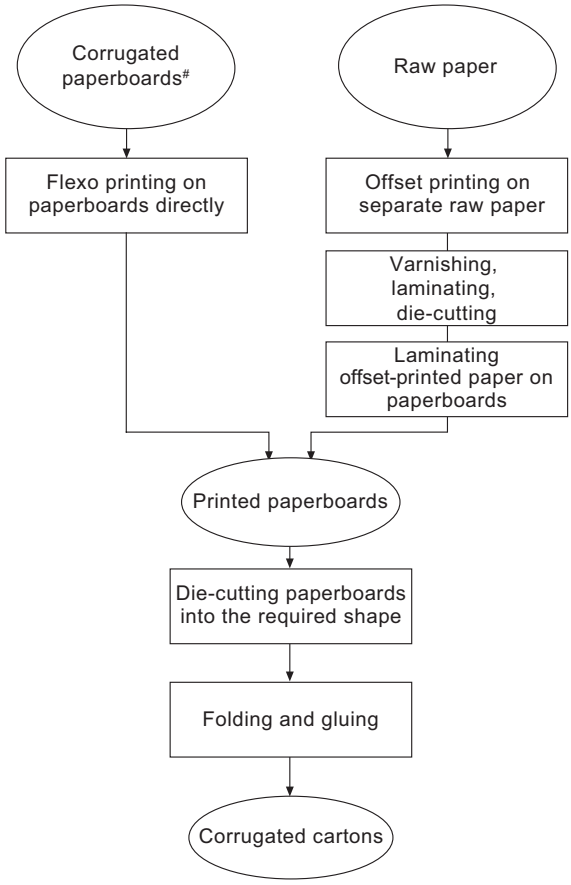
The chart below illustrates the key steps of the production process for corrugated paperboards and cartons:

(i) Corrugated paperboards



The Group sources paper in accordance with specifications from its customers or the processing factory on size, texture, colour and thickness. Paper is placed to the Group's fully automated corrugated paperboard production lines for production. The production process for corrugated paperboards involves pre-heating of paper to facilitate lamination of paper, corrugating paper into paperboards with desired numbers of layers, drying and cutting.

(ii) Paper-based packaging products



During the Track Record Period, the corrugated paperboards used in the production of corrugated cartons were mainly produced by the Group, representing about 30% to 40% of total volume of paperboards produced, whilst a comparatively small quantity of paperboards were purchased from other corrugated paperboard manufacturers.

The Group's corrugated carton is basically produced by die-cutting corrugated paperboard into the required shape and then be folded and glued into a container box. According to customers' requirements, the Group uses flexo printing to print on the surface of corrugated paperboard before die-cutting. All the principal production steps, including flexo-printing, die-cutting, folding and gluing are carried out and completed in the Group's automatic production line. Based on the graphic image, artwork or film for offset printing provided by customers, the Group will plan for production, prepare materials, conduct mould setting and offset printing. Offset printed paper will go through the procedures such as varnishing, lamination, die-cutting and will then be laminated onto the corrugated paperboards. Offset printed corrugated paperboards are subsequently die-cutted into the required shape, folded and glued into corrugated cartons.

Other ancillary products such as folded cards, paper-made pallets and display racks are basically produced by die-cutting, folding and gluing the corrugated paperboard into the required shape.

During the Track Record Period, the Group has sub-contracted certain production procedures such as gold stamping which were specifically requested by certain customers. Those sub-contractors were selected principally based on their price, product quality and/or market reputation. The Group has not entered into any long-term agreement with those sub-contractors. The fees payable to sub-contractors were determined by reference to, mainly, the estimated cost and complexity of the sub-contracting work. Products of the sub-contractors were inspected by the Group before they are used in the Group's production process. During the Track Record Period, the Group was granted a credit period of up to 90 days. Sub-contracting cost represented less than 1% of the total costs of sales of the Group for each of the three years ended 31 March 2008 and the six months ended 30 September 2008.

QUALITY ASSURANCE

The Group adopts stringent internal quality control measures to ensure that products can meet the required quality standard and adhere to customers' specifications before delivery. The Group will from time to time invest in machinery and equipment to enhance production efficiency and product quality.

The Group sources quality raw paper for production from selected suppliers principally based on their price, product quality, stability of supply and delivery and market reputation. Every batch of paper delivered to the Group will be tested before use. The Group's engineers will conduct laboratory tests on raw paper on a sample basis to ensure that specific requirements of the Group's customers such as intensity, endurance to external forces, edgewise compression strength, vibration and moisture content are satisfied. Laboratory tests are also conducted on the finished products on a sample basis to ensure that they are in line with customers' specifications. To capture orders from certain customers of which the products are exported to European countries and thus have to be RoHS compliance, the Group has installed a RoHS analyser to apply RoHS compliance testing on its packaging products. In addition, the Group performs quality inspection on the products of sub-contractors.

The Group has been accredited with the internationally recognised ISO 9001 certification and ISO 14001 certification. The Processing Partner has been accredited with the internationally recognised ISO 9001 certification as well.

ISO 9001 is a set of standards and guidelines relating to quality management systems, and represents an international consensus on good quality management practices. ISO 14001 is a set of standards and guidelines relating to environmental management systems. ISO 9001 and ISO 14001 are maintained by the International Organisation for Standardisation, or ISO, and are administered by accreditation and certification bodies. The certification of the Group and the Processing Partner to ISO 9001 standard certifies that consistent business processes are being applied, and provides an objective standard against which third parties can assess the quality of the Group's management and products. The certification of the Group to ISO 14001 standard certifies that systematic approach is set up to control the environmental impact of the Group's production and improve its environmental performance continuously.

The Directors believe that the Group has maintained a good reputation for product quality among its customers and taken continuous effort to be an environmental responsible organisation.

For each of the three years ended 31 March 2008 and the six months ended 30 September 2008, sales returns of the Group amounted to around 0.1% of the total turnover of the Group.

PROCUREMENT

The principal raw material required by the Group to produce corrugated paperboard and paper-based packaging products is raw paper, including kraftlinerboard and corrugated medium which form the inner, outer and fluting layer of a corrugated paperboard. The Group purchases raw paper of different weights, colours and strength according to the specifications of its customers. Cost of raw paper purchased by the Group accounted for approximately 77.6%, 75.6%, 83.3% and 71.4% of its cost of goods sold for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively, details of which are set out below. Other raw materials mainly include business paper, ink and adhesives.

The following table sets forth a breakdown of the Group's cost of raw materials purchased by categories during the Track Record Period:

	Year ended 31 March						Six months ended 30 September	
	2006		2007		2008		2008	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Kraftlinerboard	189,734	52.4	186,505	47.7	209,227	47.8	102,918	46.1
Corrugated medium	138,139	38.2	161,844	41.4	184,276	42.1	99,991	44.8
White top linerboard	15,340	4.2	21,345	5.4	17,928	4.1	6,440	2.9
Others *(Note)*	18,715	5.2	21,677	5.5	25,884	6.0	14,075	6.2
Total	361,928	100	391,371	100	437,315	100	223,424	100

Note: Others mainly include business paper, ink and adhesives.

Prices of raw paper are generally subject to fluctuations according to market conditions in the PRC and other regions in the world which affect the supply and demand of raw paper. As shown in the sub-section headed "Price of raw paper" in the section headed "Industry and Regulatory Overview" in this prospectus, the price of raw paper has been rising since 2006 and began to drop since June 2008. The Group recorded a moderate and substantial price increase in raw paper in general for the financial year 2007 and 2008 respectively, and a substantial drop in the price of raw paper since June 2008. To the best knowledge of the Directors, such surge in international and domestic raw paper price for the financial year 2007 and 2008 was mainly due to the high economic growth in the PRC which induced the demand of raw paper and surge in price of raw materials for producing raw paper such as scrap and pulp. There was decrease in short-term domestic supply of raw paper as some small paper manufacturers in the PRC phased out or being merged or acquired as their development was restricted by the State's policy under the China's 11th Five-Year Plan pursuant to which scale and environment has been laid down

as a major direction for the development of paper manufacturing industry in the PRC during the five-year period from 2006 to 2010. Due to the recent economic crisis, there was a decrease in global demand for raw paper, resulting in a drop of international and domestic price of raw paper since June 2008.

During the Track Record Period, the Group was one of the largest customers of the Lee & Man Group and the Nine Dragons Group, which are leading paper mills in the PRC and the shares of each of respective their holding company are listed on the Main Board. During the Track Record Period, the Group has sourced raw materials from a total of over 400 PRC and overseas suppliers. The Group's top five suppliers during the Track Record Period were raw paper suppliers and most of them have established approximately five to ten years business relationship with the Group, among which were Nine Dragons Group and Lee & Man Group. The Group has entered into bi-monthly or quarterly purchase agreements with certain major suppliers and thus is able to stabilise the pricing and supply of raw paper. The Group also makes bulk purchases for discount and selects suppliers which offer competitive price, in particular, paper mills in the PRC in light of improvement in the quality of their raw paper in general and their stability of delivery due to geographical proximity as compared to the overseas suppliers. In addition, the Group may consider adjusting the selling prices of its products if there is significant increase in the selling prices of raw paper. Procurement of raw materials, raw paper particularly, is planned on a monthly basis by the purchasing department of the Group by reference to the inventory of raw materials and production requirement in the coming month and the volume of procurement during the corresponding period in the preceding years. While the stock of raw paper kept by the Group are generally adequate to meet one month's demand for production, fewer stock are kept in light of the decreasing trend of raw paper price since June 2008. The Group has incorporated Chance Bright in Macau as a procurement arm directed by 3-person Chance Bright's management and operated by local Macau staff. Chance Bright targets on non-Macau customers and transactions are denominated in non-Macau currency. According to the Decree-Law of Macau, Chance Bright is exempted from Macau complementary tax (profits tax), Macau industrial tax and Macau stamp duty levies relating to offshore business.

During the Track Record Period, the Group's purchases were denominated in HK$, RMB and US$ respectively. For the three years ended 31 March 2008 and the six months ended 30 September 2008, purchases from the Group's top five suppliers accounted for about 64.4%, 67.7%, 76.5% and 66.7% respectively of the Group's total cost of goods sold. Purchases from the largest supplier of the Group accounted for about 40.9%, 44.7%, 42.4% and 35.8% respectively of the Group's total cost of goods sold during the same period. Purchases are mainly settled by open accounts with credit period ranging from 15 to 90 days after end of the month in which the relevant purchases occurred.

The Group performs quarterly full stock takes for all inventories. Impairment will be charged for any obsolete or damaged inventories identified during the stock takes.

The Group principally produces single-wall and double-wall corrugated paperboards. The Group is also capable of producing multiple-wall corrugated paperboards. However, due to the reason of economies of scale, the Group purchases multiple-wall corrugated paperboards from other corrugated paperboard manufacturers for the production of corrugated cartons. Such purchases amounted to approximately HK$0.9 million, HK$0.6 million, nil and nil, representing approximately 0.2%, 0.1%, nil and nil of the Group's cost of goods sold respectively for the three years ended 31 March 2008 and the six months ended 30 September 2008.

Save for Mr. Zhang Cheng Fei, who is the executive director and deputy chief executive officer of Nine Dragons Paper (Holdings) Limited and will hold 5% of the issued share capital of the Company upon Listing, none of the Directors, their respective associates or shareholders who will own more than 5% of the issued share capital of the Company, so far as the Directors are aware, immediately following the completion of the Share Offer and the Capitalisation Issue had any material interest in any of the Group's five largest suppliers during the Track Record Period.

SALES AND MARKETING

Customers

The Group manufactures and sells corrugated paperboards and paper-based packaging products, major customers of which are manufacturers of corrugated cartons and consumer products in various industries such as electronic appliances, food and beverages, garment, furniture, toy, medicine as well as audio and video products.

The Group has established long term business relationship of approximately three to sixteen years with its major customers, particularly consumer products manufacturers of renowned brands such as Jinlongyu (金龍魚) in food and beverages industry and Philips (飛利浦) in audio and video products industry, and/or their manufacturing arm or OEM although no long-term agreement has been entered into between them.

During the Track Record Period, all the Group's sales were conducted on the basis of receipt of purchase orders. To facilitate the planning of material procurement and production schedule of the Group, the sales and marketing team has maintained close communication with its major customers on their purchase forecasts and preliminary quotations of the Group. With a long history and experience in the industry, the Group has established its market reputation in terms of product quality, reliability of delivery and after-sales service. During the Track Record Period, immaterial amount of sales return was recorded.

For the three years ended 31 March 2008 and the six months ended 30 September 2008, sales to the Group's five largest customers represented approximately 20.3%, 21.0%, 21.7% and 22.7% of the Group's total turnover respectively. During the same period, sales to the Group's largest customer represented approximately 5.4%, 9.1%, 7.6% and 5.7% of the Group's total turnover respectively.

None of the Directors, their respective associates or shareholders who will own more than 5% of the issued share capital of the Company, so far as the Directors are aware, immediately following the completion of the Share Offer and the Capitalisation Issue had any material interest in any of the Group's five largest customers during the Track Record Period.

Sales of the Group can also be classified into three categories based on the delivery destination and the end market of respective customers, namely, domestic delivery export, domestic sales and direct export. The table below sets out the turnover breakdown by the aforesaid types during the Track Record Period:

	Year ended 31 March						Six months ended 30 September	
	2006		2007		2008		2008	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Domestic delivery export	471,427	82.0	494,676	76.9	450,702	67.7	246,427	62.8
Domestic sales	101,209	17.6	145,472	22.6	212,795	32.0	136,046	34.7
Direct export	2,235	0.4	3,050	0.5	2,170	0.3	9,710	2.5
Total	574,871	100	643,198	100	665,667	100	392,183	100

Domestic delivery export refers to the sale of which the Group's products undergone customs clearance process for export approval applied by the Group through a licensed agent and then be delivered directly from the Group's plants to the production base in the PRC of those customers, instead of being physically shipped out of the PRC. Domestic sales refers to the sale of which the Group's products are delivered directly to a designated location in the PRC without the need to undergo any customs clearance process for export approval. Direct export refers to the sale of which products are physically shipped out of the PRC directly from the plants of the Group. During the Track Record Period, sales of corrugated paperboard and paper-based packaging products to consumer products manufacturers, their manufacturing arm and/or OEM have contributed to the turnover of each of domestic sales, domestic delivery export and direct export of the Group, while sales of substandard paperboards and scraps to corrugated cartons manufacturers, paper mills or scrap dealer in the PRC has contributed mainly to the turnover of domestic sales and domestic delivery export of the Group.

As shown in the table above, domestic delivery export and domestic sales contributed to over 97% in aggregate of the total turnover during the Track Record Period. Domestic sales recorded continuing increase which accounted for approximately 17.6%, 22.6%, 32.0% and 34.7% of the Group's total turnover for the three years ended 31 March 2008 and the six months ended 30 September 2008. The Group successfully captured the domestic market which experienced an increase in demand for domestic products in the PRC.

The Group generally recorded a slightly higher turnover in the second half of a year, particularly from June to November, as compared to that in the first half of a year, due to the larger demand for paper-based packaging products in the few months before Christmas and Chinese Lunar New Year in general. To minimise the impact of seasonal factor, the Group has enhanced its focus on domestic sales, in particular, customers of which the amount of purchase orders are relatively even throughout a year.

Sales and marketing team

As at the Latest Practicable Date, the Group's sales and marketing team was composed of 32 staff in the PRC and 4 staff in Hong Kong, targeting at the sales in the PRC, Hong Kong and overseas markets. Sales and marketing function in Macau is directed by 3-person Come Sure Macau's management and operated by local Macau staff. The team contacts existing and potential customers to explore new business opportunities, handles enquiries and orders from customers, coordinates with the Group's production department on product requirements and delivery, and provides after-sales services such as handling enquiries on quality of products. In early 2008, the Group has established a new sales team to further explore the paper-based packaging products market in Hong Kong. The team commenced to contribute revenue to the Group in April 2008. The Group has incorporated Come Sure Macau in Macau as a trading arm. Come Sure Macau targets on non-Macau customers and transactions are denominated in non-Macau currency. According to the Decree-Law of Macau, Come Sure Macau is exempted from Macau complementary tax (profits tax), Macau industrial tax and Macau stamp duty levies relating to offshore business.

In addition to the sales and marketing staff, the Group has engaged 4 sales agents in the PRC with contractual relationship so as to expand the Group's sales network and customer base. The sales agents are Independent Third Parties. The sales agents are mainly responsible for building business relationship between the Group and the customers, handling purchase orders from the customers, following up delivery of products and settlement of bills, and are remunerated based on their performance by reference principally to their revenue contribution to the Group and their customer base. The remuneration represents certain percentages as agreed between the Group and the respective sales agents from time to time of the selling price of the Group's products, and is payable after the Group has received payments from the relevant customers. No minimum fee is payable to the sales agents by the Group. For the three years ended 31 March 2008 and the six months ended 30 September 2008, revenue contributed by these sales agents amounted to approximately HK$12.7 million, HK$22.8 million, HK$29.5 million and HK$32.6 million, which represented approximately 2.2%, 3.5%, 4.4% and 8.3% of the Group's turnover respectively, and fee paid to them amounted to approximately HK$1.0 million, HK$1.5 million, HK$0.8 million and HK$0.7 million respectively.

Terms of sales and credit policy

During the Track Record Period, the Group's domestic sales were all denominated in RMB whilst sales from domestic delivery export and direct export were denominated in either HK$ or US$. Sales were normally settled by way of telegraphic transfer remittance or cheque. The Group's credit policies differ for different customers which are principally determined by reference to the trading and payment history of the relevant customers, their business relationship with the Group, and findings in site visit, interview, public information search or investigation would be conducted by the Group on its customers. Generally, the credit period granted by the Group ranged from 15 to 120 days after end of the month in which the relevant sales occurred.

Instead of a general provision policy, the Group adopts a credit control measure. The Group regularly prepares ten-day overdue report of trade receivables and closely monitors its collection status. When trade receivables become overdue, reminders will be sent to the relevant customers. The responsible sales and marketing staff of the Group will contact the respective customers to follow up the collection status. Overdue reports are regularly reviewed and followed up by the responsible staff with the respective customers. Based on the results of discussion with problematic customers and management's experience, the Group will assess if it is necessary to write-off or make provision for bad or doubtful debts and/or to terminate business relationship with those customers with long overdue balances of trade receivables. The Group may reject purchase orders from the respective customer until full settlement of all outstanding invoices. As a prudent measure, the Group makes allowance for bad and doubtful debts based on assessments of the recoverability of the trade receivables, including the current creditworthiness and the past collection history of the respective customer. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates by the management of the Group. When the actual result is different from the original estimate, such difference will impact the carrying value of the trade receivables and bad and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the respective customers are to be deteriorated, resulting in an impairment of their ability to make payments, additional allowances may be required. For the three years ended 31 March 2008 and the six months ended 30 September 2008, allowance for trade receivables of approximately HK$5.2 million, HK$3.6 million, HK$3.5 million and HK$3.4 million, representing approximately 3.5%, 2.4%, 2.1% and 1.7% of the Group's trade receivables respectively, have been made. During the same period, bad and doubtful debts of approximately nil, HK$2.4 million, HK$1.3 million and HK$0.4 million respectively have been written off. The Group may consider to take legal actions against customers with long outstanding unsettled balance with the Group. No legal action has been taken by the Group during the Track Record Period. The Group considers that it has adopted an effective credit control measure and has not encountered material difficulty in the enforcement of debt collection during the Track Record Period.

Sales and marketing strategies

During the Track Record Period, the Group also had the following marketing activities:

(i)	Advertisement:	The Group placed advertisements in industry publications such as periodic journals issued by HKCPMA and on trucks.
(ii)	Website and search engines:	The Group maintained a website and acquired service from a search engine on the internet, to promote the Group and its products.
(iii)	Customer visits:	The Group's sales and marketing team maintained visits to customers to collect feedback on the Group's products as well as information on market demand and trends of packaging products.

As a sales and marketing strategy for the corrugated carton business, the Group will, from time to time, approach international conglomerates of consumer products directly for new businesses by means of providing packaging solutions to them, in particular, the structural design of corrugated carton. Based on the Group's experience, if the international conglomerates of consumer products adopt the structural design of corrugated carton provided by the Group, they will request their manufacturing arms or OEM located in the PRC to use and purchase corrugated cartons of such design from the Group. The Directors consider that this strategy can create stronger bonding and better relationship between the Group and such international conglomerates and expand the Group's customer base as a result.

Pricing

The Group takes into account a number of factors in determining the pricing of its products which mainly include the estimated cost to be incurred by the Group (such as cost of raw materials, labour, distribution and overheads), target profits, prevailing market price, customers' creditworthiness and relationship with the customers. The senior management normally review their pricing on a monthly basis so as to provide preliminary quotation to its major customers based on their latest purchase forecasts. All the quotations have to be approved by at least one Director. The price of raw paper has been on a rising track from 2006 to early 2008 and has been turned around since June 2008. However, the Directors consider that the Group's gross profit margins have not been adversely affected by the fluctuations in the price of raw paper since the Group has been able to adjust the selling price of its products to mitigate the cost.

PRODUCT DESIGN AND DEVELOPMENT

The Group places strong emphasis on product design and development. Packaging is widely used to protect the packaged content from damage during transportation and storage for marketing purpose. Effectiveness of these functions are to a large extent determined by the structural design of the corrugated carton as well as the selection of corrugated paperboard, whilst all these factors vary in accordance with the particular properties of the package content and customers' specifications. Hence, the Group advises its customers on, or provides them, design of packaging products as a value-added service and sales and marketing strategy, details of which are set out in the subsections headed "Products" and "Sales and Marketing" under this section. Such product design and development activities are mainly conducted by the Group's product design and development team at its research and development center and two laboratories in Shenzhen. The Group was recognised and awarded "New Products, New Technologies, New Development Award" (新產品、新技術、新工藝開發獎) and "Innovative Enterprise Award" (企業創新獎) by Shenzhen Packaging Profession Association (深圳市包裝行業協會) in November 2007. In 2007, the Group was presented "Silver award in the 2007 Excellence in Corrugated Post Print" (杜邦瓦楞紙箱印刷精品賽) in 80LPI or above category and "Gold Award in Offset-Flexo Conversion" (最佳膠印轉柔印獎). As the cost of machinery and computer program, which were used for product design and development, purchased by the Group was accounted for as plant and machinery under property, plant and equipment in its financial statements rather than expensing it in its income statements, immaterial amount of product design and development expenses was incurred by the Group during the Track Record Period. As at the Latest Practicable Date, the Group has a team of 18 staff engaging in product design and development.

INTELLECTUAL PROPERTY RIGHTS

The Group has registered trademark of "  ", "  ", "COME SURE" and "錦勝" in the PRC and/or Hong Kong as at the Latest Practicable Date. Please refer to the paragraph headed "Intellectual property rights" in Appendix VI to this prospectus for details of registration.

LICENCES AND PERMITS

Each of Come Sure Shenzhen and the Processing Partner has obtained the printing operation permit (印刷經營許可証), the prerequisite of operating printing business in the PRC, in August 2002 and December 2002 respectively. The PRC Legal Advisers and the Directors confirm that the Group has obtained all licences, permits or certificates necessary to carry out its business. They further confirm that the Group has complied with the relevant PRC rules and regulations regarding the licences and permits in conducting its business during the Track Record Period and as at the Latest Practicable Date, details of which are set out under the section headed "Industry and Regulatory Overview".

INSURANCE

Hong Kong

Under the Employees' Compensation Ordinance (Cap. 282, Laws of Hong Kong), an employer is required to take out an insurance policy to cover his employees (including full-time and part-time) who are injured or die in the accidents out of and in the course of employment. The Group has maintained an insurance policy in relation to its staff employed in Hong Kong in accordance with the above statutory requirement.

The Group has also maintained employees' compensation insurance and is covered by property and vehicle insurances.

The PRC

In accordance with relevant regulatory requirements of the PRC, inter alia, Interim Regulation Concerning the Levy of Social Insurance (《社會保險費徵繳暫行條例》), Regulation on Pension for Employees in the Shenzhen Special Economic Zone (《深圳經濟特區企業員工社會養老保險條例》), Measures Concerning Social Medical Insurance in Shenzhen (《深圳市社會醫療保險辦法》), Regulation on Industrial Injury Insurance (《工傷保險條例》), Regulation on Industrial Injury Insurance for the Guangdong Province (《廣東省工傷保險條例》), and the Interim Regulation on Social Insurance in Shenzhen (《深圳市社會保險暫行規定》), the Group has made social security contribution which covers retirement, industrial injury and medical expenses for its PRC employees. The Group maintains insurance policies in respect of its buildings, machinery, equipment, inventory and other facilities owned by the Group covering physical loss or damage arising from natural hazards or accidents in relation to its operation in the PRC. At present, the Group does not maintain any public liability insurance or any product liability insurance, which is in line with market practice in the PRC.

Social security contribution

The Directors and the PRC Legal Advisers advise that, pursuant to the Processing Agreement and relevant PRC rules and regulations, Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner are responsible for the payment of social security contribution covering retirement insurance, industrial injury insurance and medical insurance of their staff, while such costs incurred by the Processing Partner is subsequently reimbursed by the Group. During the Track Record Period, the Group has made full contribution to medical insurance in accordance with the local regulations of the PRC but not retirement insurance and industrial injury insurance. The Directors advise that the operation of the Group in the PRC had high labour turnover rate of mainly unskilled labour, which is common in production plants in Shenzhen, and the Group recorded different amount of monthly salary payments due to computation of miscellaneous allowances entitlement on individual and monthly basis. These created administrative difficulties on Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner to remit full social security contribution as set forth by the relevant laws. Hence, the social security contribution made by them was calculated based on the minimum wages imposed in Shenzhen by the relevant PRC rules and regulations rather than the actual wages of the employees. The Directors confirm that the Group has not encountered any difficulty in recruiting new labour as replacement during the Track Record Period.

(a) Retirement insurance

According to the Provisional Rules on Social Welfare Collection and Contribution (《社會保險費徵繳暫行條例》), Regulation on Pension for Employees in the Shenzhen Special Economic Zone (《深圳經濟特區企業員工社會養老保險條例》), if enterprises do not make full contribution of retirement insurance, the relevant PRC authority may issue a reminder for payment of social insurance (社會保險費催繳通知書) and a directive of limitation for remediation (限期改正指令書) to such enterprises ("Reminder"). If such enterprises fail to settle the underpaid contribution within the required period, they would be subject to a 0.2% per day overdue surcharge in addition to the underpaid contribution. The enterprises may be subject to a maximum penalty of RMB50,000 and the management and other persons with direct responsibilities of such enterprises may be subject to a penalty ranging from RMB10,000 to RMB30,000. As at the Latest Practicable Date, the Group has not received any Reminder. As confirmed by the PRC Legal Advisers, no penalty will be imposed on the Group provided that if it receives a Reminder and settles the underpaid contribution within the required period.

(b) Industrial injury insurance

According to the Regulation on Industrial Injury Insurance for Guangdong Province (《廣東省工傷保險條例》), if enterprises do not make full contribution of injury insurance, the relevant PRC authority shall order rectification and impose a fine on such enterprises in a range from not less than one time to not more than three times of the amount of the unreported portion of employees' salary within a two-year period pursuant to the Law of the PRC on Administrative Punishments (《中華人民共和國行政處罰法》).

As estimated by the management of the Group, the amount of underpaid contribution to industrial injury insurance of the Group was approximately HK$105,666 ("Basic Amount") from 1 April 2006 to 30 April 2008, and the maximum penalty on the Group based on the fine rate above was approximately HK$317,000. Based on the above, the PRC Legal Advisers concur that the maximum penalty should be three times of the Basic Amount and the method used by the Group to calculate the maximum penalty has fully complied with the relevant PRC laws and regulations.

As further confirmed by the Directors, no provision in relation to the maximum penalty of the underpaid contribution to industrial injury insurance has been made by the Group as the amount is considered immaterial. Besides, monetary penalty as to the underpaid contribution, instead of other form of punishment such as imprisonment, will be imposed. As at the Latest Practicable Date, no penalty has been imposed on Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner.

Full provision for the estimated underpaid contribution for the existing staff of Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner as at 31 March 2006, 2007 and 2008 and as at 30 September 2008 of approximately HK$5.1 million, HK$6.5 million, HK$8.3 million and HK$8.9 million respectively has been made by the Group.

As advised by the PRC Legal Advisers and pursuant to the Law of the PRC on Mediation and Arbitration of Labour Disputes (《中華人民共和國勞動爭議調解仲裁法》) and Regulation on Pension for Employees in the Shenzhen Special Economic Zone (《深圳經濟特區企業員工社會養老保險條例》), the PRC employees of the Group have the right to claim for underpaid social security contribution within one calendar year for industrial injury insurance and two calendar years for retirement insurance from the date on which they know or should know that their rights have been infringed upon. The Directors confirm that neither the Group nor the Processing Partner has experienced any material claim for underpaid social security contribution by existing employees and resigned employees during the Track Record Period. As such, the Directors consider that the possibility of claim by resigned employees against Come Sure Shenzhen, Bright Leader Shenzhen or the Processing Partner is low. As the Group has made full social security contribution for its employees according to the applicable PRC laws and regulations since May 2008, the two-year period of claim mentioned above will end on 30 April 2010.

Pursuant to the relevant PRC laws and regulations, each of the employer and employee is obliged to make its respective portion of social security contribution. The portion to be made by an employee is supposed to be deducted from the employee's salary and paid to the authority by his/her employer on behalf of such employee. As advised by the PRC Legal Advisers, the relevant PRC laws and regulations has not stated clearly whether the PRC authority will request the employer to pay for both the employer and employee's portion of underpaid contribution in the future. However, as advised by the Directors, if the PRC authority requests Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner for payment of underpaid portion of both the employer and employee pursuant to a claim from an employee, Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner would likely request the relevant employee to pay for his/her underpaid portion.

The Group is prepared to settle any claims made by its PRC employees or the Shenzhen Social Insurance Bureau in relation to the under-payment of social security contribution by Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner before May 2008 in the future. As confirmed by the Directors, the Group verbally reported such underpayment to the Shenzhen Social Insurance Bureau Shajin Branch (深圳市社會保險基金管理中心沙井管理站) (the "Social Insurance Authority") on 2 June and 8 July 2008. On 9 September 2008, the senior management of the Group, accompanied and witnessed by the PRC Legal Advisers, had a meeting with the Social Insurance Authority to report on such underpayment and seek for direction of remediation. The representative officer of the Social Insurance Authority indicated that they had no intention to investigate or rectify the underpayment by Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner. Moreover, as confirmed by the Directors, as at the Latest Practicable Date, no action has been taken against Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner.

Moreover, Mr. Chong has agreed to indemnify the Group for any losses, liabilities or damages suffered in connection with such under-payment of social security contribution incurred prior to the Listing (including any penalty or surcharge in relation to the historical non-compliance) and to the extent that provision has not been made by the Group for such losses, liabilities or damages for the Track Record Period.

As at 31 October 2008, the amount of underpaid social security contribution for resigned employees according to such rules and regulations is estimated by the Directors to be approximately HK$2.8 million for the two-year claim period from 1 November 2006 to 31 October 2008. After taking into consideration (i) the two-year period entitled to employees to claim for the underpaid contribution, (ii) the high labour turnover rate, (iii) that most of the resigned employees were not Shenzhen residents, (iv) that no material claim by existing employees and resigned employees experienced by the Group or the Processing Partner during the Track Record Period, (v) the personal indemnity given by Mr. Chong and (vi) the full compliance of the Group on the relevant contribution since May 2008, the Directors and the PRC Legal Advisers are of the view that the possibility that resigned employees of the Group would claim against Come Sure Shenzhen, Bright Leader Shenzhen or the Processing Partner for underpaid contribution is low and the possibility that Come Sure Shenzhen, Bright Leader Shenzhen or the Processing Partner would be exposed to further financial risk is low. Therefore, the Directors consider that it is not necessary for the Group to make provision for the underpaid contribution for resigned employees.

The Reporting Accountants advise that in forming their opinion on the financial information of the Group as a whole for the three years ended 31 March 2008 and the six months ended 30 September 2008 as set out in the Accountants' Report of the Group in Appendix I to this prospectus, they have considered, among all the items of the financial statements, whether there was any material under/over-provision of social security contribution for the Group's PRC subsidiaries. Without performing any separate assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants on the social security contribution, the Reporting Accountants advise that they are not aware of any material under/over-provision of social security contribution for the Group's PRC subsidiaries which would affect their opinion on the financial information as set out in the Accountants' Report of the Group in Appendix I to this prospectus.

(c) internal control procedures

The Group has implemented specific internal control procedures below since May 2008 to ensure its strict compliance with relevant laws and regulations in respect of social security contribution:

(i) the human resources staff register the new staff on the first employment date of such staff, and to deregister the resigned staff on the day immediately following the last employment date of such staff, with the relevant PRC authority to ensure timely calculation of social security contribution;

(ii) a team of ten accounting and human resources staff has been designated to calculate the monthly social security contribution of Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner. The accounting and human resources staff calculate the monthly social security contribution based on the actual monthly salary payments to each employee. Such calculations are reviewed by finance managers and human resources managers, and further reviewed and approved by supervisors of the production plants;

(iii) the aforesaid designated staff will review the internal control procedures in relation to the Group's social security contributions annually. Review and evaluation report will be submitted to the Group's management for review and taking improvement measures, if necessary.

The executive Directors and all those designated staff have received internal training in relation to the relevant PRC regulatory requirements of social security contribution and the Group's internal guidelines including calculation of social security contribution. With the implementation of the procedures above, the Directors confirm that Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner have paid the relevant contribution for all qualifying employees according to the applicable PRC laws and regulations, pursuant to the scope and standards set out by the relevant PRC authorities since May 2008. In light of the above, the Directors consider that the administrative difficulties of Come Sure Shenzhen, Bright Leader Shenzhen and the Processing Partner have been resolved. The previous under-payment of social security contribution will not have a material adverse effect on the Group's operations and financial position.

Macau

Pursuant to relevant Macau laws and regulations, Macau employers must register their employees under the mandatory social security fund (pursuant to Decree-Law no. 58/93M-Section 3 and 4), make social security contribution for each of its employees (Dispatch no. 45/GM/98) and contract insurance to protect the rights and interests of their employees in the event of working accident and/or professional disease.

The Macau Legal Advisers and the Directors are of the view that the Group has complied with applicable rules and regulations as at the Latest Practicable Date, taking insurance and registering social security.

The Directors confirm that the Group's insurance policy specifications and insured limits are in line with the normal industry practice in the PRC, Hong Kong and Macau and the existing insurance coverage is adequate for the Group's operation. The Directors confirmed that, during the Track Record Period, the Group had not had any material claim or liabilities arising from any accidents relating to its operations and had not had any major production interruption during the Track Record Period.

SAFETY AND SOCIAL ISSUES

Hong Kong

Under the Occupational Safety and Health Ordinance (Cap. 509, Laws of Hong Kong), an employer should provide and maintain a safe and healthy work environment by, inter alia, (i) providing and maintaining plant and work systems that do not endanger safety or health; and (ii) making arrangement for ensuring safety and health in connection with the use, handling, storage or transport of plant or substances. As at the Latest Practicable Date, the Group has not been in contravention with the safety and health requirements set out in the above ordinance.

The PRC

The Group is subject to certain health and safety related laws and regulations in the PRC. Pursuant to the Labour Act of the People's Republic of China (《中華人民共和國勞動法》) promulgated on 5 July 1994, employers are required to establish and improve their labour safety and health care system, to strictly implement the labour safety and health care regulations, to carry out labour safety and health care education among their workers and to prevent accidents during work and reduce occupational hazards. The Group has complied with the Labor Act of the People's Republic of China (《中華人民共和國勞動法》) and other relevant applicable laws and regulations in relation to labour management.

Pursuant to the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》) promulgated on 29 June 2002 and effective on 1 November 2002, enterprises operate production activities within the PRC territory are required to observe laws and regulations concerning production safety, strengthen their administration of, establish and improve a system of responsibility for, and improve facility conditions to ensure production safety. In addition to the abovementioned requirements, the Group also provides trainings to its labour in order to reduce/prevent industrial accidents in the future, including training courses relating to safety awareness and operation of production facilities. Furthermore, the Group monitors the operation of the production facilities itself to ensure they are in good condition. The Group is not involved in any material production safety matter as at the Latest Practicable Date.

According to the PRC Legal Advisers, the Group has complied with the relevant laws, rules and regulations in relation to the health and safety matters in the PRC during the Track Record Period.

Macau

As advised by the Macau Legal Advisers, the social security scheme (article 11 of Decree-Law no. 58/99/M) has also included the rules and regulations in relation to the health and safety matters.

ENVIRONMENTAL PROTECTION

Since November 2001, Come Sure Shenzhen has been accredited with the internationally recognised ISO14001 certification in respect of the environmental management systems. The Directors confirm that the Three Production Plants have complied with the relevant environmental protection regulations as set out in the section headed "Industry and Regulatory Overview" in this prospectus, even though the Processing Partner has not applied for ISO14001 certification after taking into account of the additional expenses involved in obtaining and maintaining such certification.

Wastages which mainly include scrap paper, waste water and waste air are resulted during the production process of corrugated paperboard or paper-based packaging products. Nevertheless, the Group has carried out the following measures to deal with the wastages and to ensure compliance of relevant regulations by the Three Production Plants:

(a) a team leads by a staff, with approximately three years relevant working experience, has attended relevant ISO14001 training courses and has obtained certification as ISO14001 internal auditor to monitor and control the production process and ensure compliance with relevant regulations by the Three Production Plants and ISO requirements by Come Sure Shenzhen;

(b) the substandard paperboards and scraps are either sold to corrugated carton manufacturers, paper mills or scrap dealer. During the Track Record Period, sales of substandard paperboards and scraps accounted for below 3% of the Group's turnover; and

(c) installation of waste water treatment system and waste air filter system at the Three Production Plants to treat or filter the waste water and waste air before discharge.

In addition, the Group has installed advanced automatic corrugated paperboard and carton production lines in order to minimise the production of, and to collect, scrap paper.

As advised by the PRC Legal Advisers, the relevant environmental protection laws and regulations in the PRC impose a gradual scale of fees for the discharge of waste materials and fine for pollution and closure of facility which causes serious environmental problems. For the three years ended 31 March 2008 and six months ended 30 September 2008, fees of approximately RMB0.1 million, RMB0.2 million, RMB0.2 million and RMB0.1 million for the discharge of waste materials was incurred by the Group respectively and, as confirmed by the Directors, no fine on non-compliance of relevant environmental protection regulations was imposed on the Group.

As advised by the PRC Legal Advisers, Come Sure Shenzhen and the Processing Partner have complied with relevant PRC laws and regulations relating to environmental protection in all material respects during the Track Record Period and have obtained all the required permits and environmental approvals for its production facilities.

AWARDS AND RECOGNITIONS

The Group has obtained awards and recognitions from various independent organisations for its product quality and market position.

Date	Granting Organisation	Awards/recognitions
Come Sure Development		
June 2005 (renewed in June 2007)	Ricoh Asia Industry (Shenzhen) Limited	CMS Certificate (Chemical Substances Management System)
Come Sure Shenzhen		
June 2002	Printing Technology Association of China (中國印刷技術協會)	Excellence Award for Printing (印刷精品獎)

Date	Granting Organisation	Awards/recognitions
2003	Printing Manager Annual Conference (印刷經理人年會)	Ranked 29th in the Top Hundred Printing Enterprises in the PRC in 2003 (2003年中國印刷企業100強)
February 2004	Printing and Replicating Industrial Association of Guangdong (廣東印刷協會)	Ranked 13th in the Top Hundred Enterprises (Package Printing Type) in Guangdong Province in 2003 (2003年廣東省印刷企業包裝印刷類100強)
2004	Printing Manager Annual Conference (印刷經理人年會)	Ranked 27th in the Top Hundred Printing Enterprises in the PRC in 2004 (2004年中國印刷企業100強)
March 2005 (renewed in March 2007)	Samsung Electronics (Huizhou) Co., Ltd.	Eco-Partner Certificate (certified for establishment of stable environmental quality control system)
2005	Printing Manager Annual Conference (印刷經理人年會)	Ranked 26th in the Top Hundred Printing Enterprises in the PRC in 2005 (2005年中國印刷企業100強)
2006	Printing Manager Annual Conference (印刷經理人年會)	Ranked 27th in the Top Hundred Printing Enterprises in the PRC in 2006 (2006年中國印刷企業100強)
November 2007	Shenzhen Packaging Profession Association (深圳市包裝行業協會)	New Products, New Technologies, New Development Award (新產品、新技術、新工藝開發獎)
November 2007	Shenzhen Packaging Profession Association (深圳市包裝行業協會)	Innovative Enterprise Award (企業創新獎)
2007	Printing Manager Annual Conference (印刷經理人年會)	Ranked 25th in the Top Hundred Printing Enterprises in the PRC in 2007 (2007年中國印刷企業100強)

Date	Granting Organisation	Awards/recognitions
2007	DuPont Cyrel, Jiu Heng Graphics Co Ltd and the Flexographic Printing Branch of China Printing Technology Association (中國印刷技術協會柔性版印刷分會)	Silver award in the 2007 Excellence in Corrugated Post Print (杜邦瓦楞紙箱印刷精品賽) in 80LPI or above category
2007	DuPont Cyrel, Jiu Heng Graphics Co Ltd and the Flexographic Printing Branch of China Printing Technology Association (中國印刷技術協會柔性版印刷分會)	Gold award in Offset-Flexo Conversion (最佳膠印轉柔印獎)
2008	Printing Manager Annual Conference (印刷經理人年會)	Ranked 29th in the Top Hundred Printing Enterprises in the PRC in 2008 (2008年中國印刷企業100強)

These awards and recognitions demonstrated that Come Sure Shenzhen is one of the sizable and reputable enterprises in the packaging industry, thus enabling the Group to expand its business and increase its market share.

Note: The Printing Technology Association of China (中國印刷技術協會) is an association under the direct supervision of the General Administration of Press and Publication of China (新聞出版總處) in the PRC. The association gives recommendation and consultation on installation of machinery and equipment for government printing factories and publishing houses. It is also engaged in the exchanges of domestic and foreign new technology and new information in the printing industry, technical discussion, training, printing conferences and exhibitions.

The Printing and Replicating Industrial Association of Guangdong (廣東省印刷協會) is an association aims to combine the printing technology with the industrial functions in Guangdong. Its professional committees comprise corporate members and members of technicians in various printing technologies.

The Printing Manager Annual Conference (印刷經理人年會) is conference held annually since year 2002 which serves as a platform for participants in the PRC printing industry to communicate and exchange concepts and ideas. The conference is taken charge by Keyin Print Media (科印傳媒) – "Printing Manager" magazine (印刷經理人). Keyin Print Media is a periodicals publisher which among others, involves in editing, publication, holding trade fairs and conferences relating to the printing industry.

The Shenzhen Packaging Profession Association (深圳市包裝行業協會) is an association responsible for handling, assessing and issuing production permits for enterprises which produce corrugated paperboards and paper boxes. In addition, the association facilitates enterprises in establishing quality management system and obtaining internationally recognised ISO9000 certificates.

DuPont is a company offers a wide range of innovative products and services for markets including agriculture, nutrition, electronics, communications, safety and protection, home and construction, transportation and apparel.

Jiu Heng Graphics Co., Ltd. is a company engaging in the import of printing and packaging equipment, consumables, and spare parts.

The Flexographic Printing Branch of China Printing Technology Association (中國印刷技術協會柔性版印刷分會) is a non-profit organisation which is composed of scientific research, manufacture, application and education institutions in the flexographic printing industry and experts from science and technology and management field.

COMPETITION

The Group competes primarily in the China market. The corrugated packaging industry in China is competitive, in which the players normally compete on the basis of

product quality, product design and development, delivery stability and price. To the best knowledge of the Directors, the major competitors of the Group are mainly located in Guangdong Province, especially, Shenzhen and Dongguan, which are local private or foreign-invested companies, and some of which are listed on the Stock Exchange. Markets of those players are fragmented in terms of geographical locations, product types and target customers.

The Directors consider that there are certain entry barriers to the industry in the PRC, among others,

(a) heavy capital investments in technologically advanced machinery for manufacturing of corrugated paperboards and packaging products as well as precision printing of packaging products; and

(b) industry knowledge, experience and skills of the management personnel and technical professionals in product design and development.

The Directors believe that the Group has competitive strengths, in particular, product range, product design and development capacity, stable source of raw paper supply and product quality, speedy delivery, long term and stable business relationship with its customers and suppliers, technologically advanced production lines and flexible mode of sales in form of domestic delivery export or domestic sales, to maintain the competitiveness of the Group in the market.

The Directors confirmed that none of them nor the Controlling Shareholders has any interest in business apart from the Group's business, which competes or is likely to compete, directly or indirectly, with the Group's business.

CONNECTED TRANSACTIONS

Discontinued connected transactions

(i) Sale of scrap paper by Come Sure Shenzhen to Mr. Zhuang Yong Shun (莊永順)

During the Track Record Period, Come Sure Shenzhen had generated scrap paper during the production process of corrugated paperboards and paper-based packaging product which cannot be used for the Group's production but can only be recycled by paper manufacturers for the production of raw paper. As such, the Group sold such scrap paper to Mr. Zhuang Yong Shun, who had been engaged in the trading of scrap paper, at prices determined with reference to the then prevailing market price. The sales proceeds of such scrap paper amounted to approximately HK$3.3 million and HK$3.7 million respectively for the two years ended 31 March 2007. Mr. Zhuang Yong Shun is a nephew of Mr. Chong and therefore, is a connected person of the Company within the meaning of Chapter 14A of the Listing Rules. Accordingly, the aforesaid transactions constituted connected transactions of the Company during the Track Record Period under the Listing Rules. The sale of scrap paper of the Group to Mr. Zhuang Yong Shun have been discontinued after the year ended 31 March 2007 in order to reduce the connected transaction of the Company and since then, the scrap paper of Come Sure Shenzhen has been sold to Independent Third Parties.

Save as the aforesaid sale of scrap paper and provision of transportation services by Mr. Zhuang Yong Shun or his company, Shenzhen Wan Tai Shun Enterprises Development Company Limited (深圳萬泰順實業發展有限公司) ("Wan Tai Shun"), to the Group during the Track Record Period as disclosed in the sub-section headed "Non-exempt continuing connected transaction" below, the Directors confirm that, to their best knowledge, Mr. Zhuang Yong Shun has not involved in any business that might compete with the Group or that was related to the Group's business as at the Latest Practicable Date.

(ii) Tenancy arrangement between Wholly Rise Limited ("Wholly Rise") as lessor and Come Sure Holdings as lessee

During the Track Record Period, Come Sure Holdings leased from Wholly Rise the following properties:

Location	Lessor	Use	Lease period
Flat A, 18th Floor, Block 8 and Car Port No. LG 203 on Lower Ground Floor Braemar Hill Mansions 15-43 Braemar Hill Road North Point Hong Kong	Wholly Rise	Director's quarters	April 2005 to March 2006
Flat C, 18th Floor, Block 8 and Car Port No. LG 158 on Lower Ground Floor Braemar Hill Mansions 15-43 Braemar Hill Road North Point Hong Kong	Wholly Rise	Director's quarters	April 2005 to March 2006

For the three years ended 31 March 2008 and six months ended 30 September 2008, the total rental paid by Come Sure Holdings to Wholly Rise amounted to HK$600,000, nil, nil and nil respectively.

Wholly Rise is beneficially owned by Mr. Chong, the executive Director, President of the Group and Chairman of the Board. Accordingly, Wholly Rise is a connected person of the Company within the meaning of Chapter 14A of the Listing Rules and the above-mentioned transactions constituted connected transactions for the Company during the Track Record Period.

Grant Sherman Appraisal Limited, the independent property valuer of the Company, considers that the total rentals paid for the lease of the above properties are fair, reasonable and generally at market level.

(iii) Provision of financial assistance to the Group by Mr. Chong and Mr. Chong Wa Pan and their associates

Mr. Chong had provided advances to the Group, which were unsecured, interest-free and had no fixed repayment terms. For the two years ended 31 March 2007, the average balance owed by the Group to Mr. Chong were approximately HK$33.1 million and HK$4.1 million respectively. All amounts due to Mr. Chong have been settled by the Group as at the Latest Practicable Date.

During the Track Record Period, the Group's certain banking facilities were secured by personal guarantees given by Mr. Chong and Mr. Chong Wa Pan, bank deposits of Mr. Chong and properties owned by Mr. Chong and the related companies, Wholly Rise and Come Sure Trading Limited. The Group has received consents in principle from relevant banks that all securities and guarantees provided by the aforesaid connected persons of the Company in relation to the aforesaid banking facilities will be released upon the Listing and will be replaced by corporate guarantees and/or other collaterals provided by the Company and/or other members of the Group.

(iv) Disposal of Century Shiny and China Apex to Mr. Chong

On 28 November 2006, Come Sure Holdings transferred the entire issued capital in Century Shiny and China Apex to Mr. Chong at considerations of approximately HK$865,000 and HK$776,000 respectively.

(v) Acquisition of Bright Leader Holdings from Mr. Chong

On 13 August 2007, Jumbo Match acquired the entire issued capital of Bright Leader Holdings from Mr. Chong at a consideration of HK$10,000. Bright Leader Holdings holds the whole registered capital of Bright Leader Shenzhen.

(vi) Acquisition of Century Shiny by the Group from Mr. Chong

On 30 January 2009, Mr. Chong as vendor and Jumbo Match as purchaser entered into a sale and purchase agreement in relation to the entire issued share capital of Century Shiny at a cash consideration of approximately HK$865,000 and a shareholder's loan in the amount of approximately HK$28,395,000 at cost. The consideration for the transfer of shares was equivalent to the consideration received from Mr. Chong when the Group disposed of Century Shiny to Mr. Chong in November 2006. Century Shiny is the 100% owner of Come Sure Huizhou, which in turn holds the title of the Huidong Land. The above sale and purchase has been completed on 2 February 2009.

Exempt continuing connected transaction

The following transaction will constitute an exempt continuing connected transaction under the Listing Rules for the Company:

Tenancy agreement between Wholly Rise and Wah Ming

The following property was leased to Wah Ming from Wholly Rise from 1 April 2005 to 31 March 2006 and from 1 April 2006 to 31 March 2007 under tenancy agreements dated 15 June 2005 and 15 June 2006 respectively. On 1 February 2008, Wholly Rise and Wah Ming entered into a tenancy agreement (which was supplemented by supplementary agreements dated 8 February 2008, 9 February 2008 and 22 December 2008), pursuant to which Wah Ming agreed to lease from Wholly Rise the following property for a term from 1 April 2007 to 31 March 2009, details of which are set out as follows:

Location	**Lessor**	**Use**	**Monthly Rent** *(HK$)*
Unit 10, 8th Floor Cornell Centre 50 Wing Tai Road Chai Wan Hong Kong	Wholly Rise	Office	15,000

For the three years ended 31 March 2008 and the six months ended 30 September 2008, the total rental paid by Wah Ming to Wholly Rise amounted to HK$240,000, HK$240,000, HK$180,000 and HK$90,000 respectively.

Grant Sherman Appraisal Limited, the independent property valuer of the Company, considers that the rental payable or paid under the above tenancy agreement is fair, reasonable and generally at market level.

Wholly Rise is a connected person of the Company within the meaning of Chapter 14A of the Listing Rules and the transaction under the above tenancy agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

Under the above tenancy agreement, the annual rental payable for the year ending 31 March 2009 by the Group to Wholly Rise is approximately HK$180,000. The Directors expect that the applicable percentage ratios under Rule 14.07 of the Listing Rules, will on an annual basis be either (i) less than 0.1%; or (ii) equal to or more than 0.1% but less than 2.5% and the annual consideration is less than HK$1,000,000. Therefore, the above transaction is not subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Non-exempt continuing connected transaction

The following transaction will constitute a non-exempt continuing connected transaction under the Listing Rules for the Company:

Provision of transportation services by Mr. Zhuang Yong Shun and Wan Tai Shun to Come Sure Shenzhen

During the Track Record Period, Mr. Zhuang Yong Shun, and after Mr. Zhuang Yong Shun has set up Wan Tai Shun (the principal business activity of which is the provision of transportation services), Wan Tai Shun from time to time provided non-exclusive transportation services to Come Sure Shezhen for the delivery of goods for the First Production Plant. Such arrangement will continue upon Listing. Mr. Zhuang Yong Shun is a nephew of Mr. Chong and controls Wan Tai Shun. As such, each of Mr. Zhuang Yong Shun and Wan Tai Shun is a connected person of the Company within the meaning of Chapter 14A of the Listing Rules and the aforesaid transactions constitute continuing connected transactions for the Company under the Listing Rules.

An agreement was entered into by Come Sure Shenzhen and Wan Tai Shun on 30 September 2008 in relation to the provision of transportation services by Wan Tai Shun to Come Sure Shenzhen commencing from the date of the agreement to 31 March 2011. The Group selects transportation service providers principally based on service quality and price. Mr. Chong and Mr. Chong Wa Pan, the Purchase Manager of Come Sure Shenzhen, the general managers of the First Production Plant and the Second Production Plant and the Plant Manager of Wah Ming were involved in the selection and decision process. The Directors undertake that in future instances or transactions where any decision maker has a conflict of interest therein, such person shall abstain from the decision-making process. The Group engages Wan Tai Shun in addition to other independent service providers to provide transportation services after taking into account the quality and pricing of transportation services provided by Wan Tai Shun and with a view to minimising the risk of over-reliance on a few service providers which is in the interest of the Shareholders as a whole. The amount of transportation fees paid during the Track Record Period or to be paid by Come Sure Shenzhen to Mr. Zhuang Yong Shun, Wan Tai Shun was or will be determined by the parties mainly based on (i) certain specific percentage of invoice value of finished goods and returned goods delivered from and to the First Production Plant (in cases of other independent transportation service providers, the transportation fees are also determined mainly based on certain specific percentage of invoice value of finished goods and returned goods delivered from and to the relevant production plant); and (ii) certain specific fee per cubic metre of goods that are transported between the First Production Plant and each of the Second Production Plant and the Third Production Plant and goods required urgent delivery. Both of the percentage and fees abovementioned will be fixed between the Group and Wan Tai Shun by separate agreement with reference to the then prevailing market price. According to the aforesaid agreement, the terms offered by Wan Tai Shun to Come Sure Shenzhen should be no less favourable than those offered by other Independent Third Parties to Come Sure Shenzhen. As far as the Directors are aware and based on the representation of Wan Tai Shun, the Group is currently the sole customer of Wan Tai Shun.

The transportation fees paid by the Group to Wan Tai Shun and Mr. Zhuang Yong Shun amounted to approximately HK$4.7 million, HK$6.2 million, HK$6.1 million and HK$3.9 million for the three years ended 31 March 2008 and the six months ended 30 September 2008 respectively, representing approximately 27.5%, 31.8%, 33.9% and 32.0% respectively of the Group's total transportation cost of the respective years/period.

The Directors expect that the aggregate annual expenditure for the above transactions will be approximately HK$9 million, HK$10.5 million and HK$12 million for the three years ending 31 March 2011 (the "Annual Caps") respectively. These estimated figures are determined with reference to (i) the historical growth of the turnover of the Group, (ii) the transportation fees paid by the Group to Wan Tai Shun, Mr. Zhuang Yong Shun and Independent Third Parties which provided similar services to the Group during the Track Record Period, (iii) the prevailing market price and possible price increase of corrugated paper, (iv) the economic growth in the PRC which is expected to encourage industrial production growth and corrugated production in the PRC in the next few years and (v) the possible increase in percentage of invoice amount of finished goods charged as transportation fees due to rise in petroleum price. The Directors anticipate that there will be an increasing demand for the Group's products and relevant transportation fees to be paid by the Group to Wan Tai Shun may increase accordingly in the future. As such, the Directors, including the independent non-executive Directors, and the Sponsor are of the view that the terms of the agreement are normal commercial, fair and reasonable and the Annual Caps and transaction are in the interest of the Company and Shareholders as a whole.

The Directors expect that the applicable ratio under Rule 14.07 of the Listing Rules (for the two years ending 31 March 2011) will on an annual basis exceed 2.5% and the annual consideration will be more than HK$10,000,000. Therefore, the above arrangements are subject to the reporting, announcement and independent shareholders' approval requirements applicable to non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

Waiver from the Listing Rules

Upon the Listing, the provision of transportation services by Wan Tai Shun will constitute a non-exempt continuing connected transaction for the Company for the purposes of the Listing Rules. The Directors, including the independent non-executive Directors, and the Sponsor is of the opinion that the non-exempt continuing connected transaction described in this section has been conducted, and will be carried out, in the ordinary and usual course of business of the Group and on normal commercial terms, the Annual Caps are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

As the non-exempt connected transaction described above is entered into in the ordinary course of business on a continuing basis, the Directors consider that disclosure and approval of them in full compliance with the Listing Rules each time when such connected transaction is entered into would be impractical and unduly onerous. The Company has applied to the Stock Exchange, and the Stock Exchange has granted, pursuant to Rule 14A.42(3) of the Listing Rules, a waiver from strict compliance with the announcement and independent shareholders' approval requirements relating to continuing connected transaction under the Listing Rules, subject to the aggregate value of transportation services to be provided by Wan Tai Shun for each of the three years ending 31 March 2011 does not exceed HK$9 million, HK$10.5 million and HK$12 million respectively.

The Company will comply with Rule 14A.35 to 14A.40 of the Listing Rules governing the non-exempt continuing connected transactions including, but not limited to, the annual review of the non-exempt continuing connected transactions by the auditors and independent non-executive Directors of the Company.

Pursuant to the Listing Rules, if the amount of the transportation fees to Wan Tai Shun exceeds the Annual Caps, or if the transportation service agreement between the Group and Wan Tai Shun is renewed or if there is a material change to the terms of such agreement, the Company must comply with the announcement, reporting and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules as applicable.

FUTURE PLANS

In view of the high economic growth in the PRC, the Directors are of the view that the demand for consumer products in the PRC will continue to increase, which in turn will increase the demand for corrugated paperboard and paper-based packaging products for consumer products. As such, the Group's objective is to strengthen its market position in the packaging industry. In addition, the Group intends to enlarge its production capacity as the utilisation rate of most of the production lines of corrugated paperboards and/or corrugated cartons in the First Production Plant and the Second Production Plant can reach around 70% during peak season. To achieve this objective, the Directors have formulated the following strategies:

Expansion of the existing production facilities

In order to capture the increasing market demand, strengthen competitive edges and achieve economies of scale, the Group intends to invest HK$5 million from the net proceeds of the Share Offer in expanding its production capacity of corrugated cartons by installing two sets of flexo-printing machines which, as expected by the Directors, will cost approximately HK$11 million and will contribute an additional annual production capacity of corrugated cartons of approximately 40 million pieces to the Group.

Establishment of a new production plant in Huidong County in Huizhou in Guangdong Province, the PRC

With a view to cope with the expected demand, the Group intends to establish a new production plant in Huidong County in Huizhou of the Guangdong Province, the PRC. The total investment costs of the new production plant is estimated to be approximately HK$100 million, comprising land costs of approximately HK$26 million, construction costs of approximately HK$40 million and costs of equipment and machinery of approximately HK$34 million. Such investment is expected to be partially financed by the net proceeds from the Share Offer. The Group has entered into an agreement with Mr. Chong to acquire the entire issued share capital of Century Shiny, and through which to obtain the land use right of the Huidong Land for establishing the aforesaid new production plant. Please refer to the paragraphs headed "History and Development" in the section headed "Business" in this prospectus for details.

One production line of corrugated paperboards, three production lines of corrugated cartons and one production line of moulded pulps are planned to be built in the new production plant contributing to the Group an additional annual production capacity of corrugated paperboards of approximately 100 million sq.m. and corrugated cartons by approximately 100 million pieces, and a new annual production capacity of moulded pulps of approximately 1,000 tonnes as well.

The Three Production Plants in Shenzhen will mainly continue to serve customers located in the west of Dongguan and Baoan District in Shenzhen in Guangdong Province, the PRC whereas the new factory in Huidong will mainly serve customers located in the east of Dongguan, Huizhou and Chaoshan region in Guangdong Province, the PRC. The

Directors believe that the new production plant can facilitate the Group to expand its market share in Guangdong Province, diversify its customer base and increase its source of revenue.

Research and development

The Group will continue to devote resources to enhancing its product research and development capability. The Group intends to increase headcount engaging in research and development and provide them with training. In addition, the Group will purchase and upgrade the equipment in its laboratories in order to strengthen its capability in product testing, design, research and development.

Investment in such development plan is expected to be partially financed by the net proceeds from the Share Offer and any shortfall is expected to be financed by the internal resources of the Group.

PROPOSED USE OF NET PROCEEDS

The net proceeds from the Share Offer received by the Company, after deducting the estimated expenses payable by the Company in relation to the Share Offer, are estimated to be approximately HK$61 million (assuming an Offer Price of HK$1.16, being the mid-point of the Offer Price range set out in this prospectus). The Directors intend to apply the net proceeds from the Share Offer for the following purposes:

- approximately HK$5 million for the expansion of the existing production facilities;
- approximately HK$49 million for the establishment of a new production plant in Huidong;
- approximately HK$1 million for the employment and training of new staff and purchase of new equipment in order to strengthen the Group's research and development capability; and
- the balance of approximately HK$6 million as general working capital.

In the event that the Offer Price is set at HK$1.01, HK$1.31 or any price in between, the Directors will apply the net proceeds in the manner and proportion as shown above. Any shortfall is intended to be financed by internal resources of the Group.

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes or if the Company is unable to effect any part of its future development plans as intended, the Company may hold such funds in short-term deposits with banks and/or financial institutions for so long as it is in its best interests.

FINANCIAL INVESTORS

Mr. ZHANG Cheng Fei is the executive director and deputy chief executive officer of Nine Dragons Paper (Holdings) Limited. Mr. LEE Man Chun Raymond is the executive director and chief executive officer of Lee and Man Paper Manufacturing Limited. The Nine Dragons Group and the Lee & Man Group are paper mills and relevant member of which were among the top five suppliers of the Group during the Track Record Period.

On 24 May 2008, Mr. LEE Man Chun Raymond and the Company, among others, entered into a subscription agreement pursuant to which Mr. LEE Man Chun Raymond agreed to conditionally subscribe for certain Placing Shares equivalent to 2.5% of the enlarged issued share capital of the Company upon the Listing at the Offer Price.

On 27 May 2008, Mr. ZHANG Cheng Fei and the Company, among others, entered into a subscription agreement pursuant to which Mr. ZHANG Cheng Fei agreed to conditionally subscribe for certain Placing Shares equivalent to 5% of the enlarged issued share capital of the Company upon the Listing at the Offer Price.

Mr. Zhang Cheng Fei and Mr. Lee Man Chun Raymond will be interested in approximately 5% and 2.5% of the entire issued Shares immediately following completion of the Share Offer and the Capitalisation Issue. Mr. ZHANG Cheng Fei and Mr. LEE Man Chun Raymond have not and will not, after the Listing, participate in the management of the Company. Save for being a Shareholder, each of Mr. ZHANG Cheng Fei and Mr. LEE Man Chun Raymond is an Independent Third Party and will be considered as a public Shareholder under the Listing Rules.

The Directors believe that the investment by Mr. ZHANG Cheng Fei and Mr. LEE Man Chun Raymond can strengthen the business relationship between the Group and these two major suppliers of the Group. As both Nine Dragons Group and Lee & Man Group are paper mills in the PRC, the Directors believe that, leveraging on both investors' expertise and extensive experience in the paper manufacturing industry may facilitate the Group's procurement planning and future business expansion. No strategic or cooperative agreement has been, or intended or planned to be, entered into between the Group and each of Nine Dragons Group and Lee & Man Group as at the Latest Practicable Date.

Each of Mr. Zhang Cheng Fei and Mr. Lee Man Chun Raymond has undertaken to the Company, the Sponsor and Kingsway Financial (for itself and on behalf of the Underwriters) that he shall not, and shall procure that his associates or companies controlled by him or any nominee or trustee holding in trust for him shall not, sell, transfer or otherwise dispose of (including but without limitation to the creation of any option over but save pursuant to a pledge or charge as security for a bona fide commercial loan and after having given notice of such pledge or charge to Kingsway Financial (on behalf of the Underwriters)) or create any rights in respect of any interest in any of the Shares or securities of the Company owned by him or the relevant company, nominee or trustee (including any interest in any shares in any company controlled by him which is, directly or indirectly, the beneficial owner of any of the Shares or securities of the Company) immediately from the date of the completion of the Share Offer and the Capitalisation Issue up to and including the date following six months after the Listing Date.

DIRECTORS

Executive Directors

Mr. CHONG Kam Chau (莊金洲先生), aged 61, the founder, Chairman of the Board and President of the Group and is responsible for the strategic planning and overall development of the Group. He is a standing member of the Political Consultative Conference of Shanxi Province (山西省政協常務委員), a director of China Poverty Alleviation and Development Association (中國扶貧開發協會常務理事), the Vice-President of Shanxi Association of Overseas Liaison (山西省海外聯誼會副會長), the director of the Hong Kong Chinese People's Political Consultative Conference (Provincial) Members Association (港區省級政協委員聯誼會常務理事), and the Permanent Honorary President of the Eastern District Industries & Commerce Association (香港東區工商業聯會永遠名譽會長). Mr. Chong is a part time professor of Shanxi University of Finance and Economics (山西財經大學). Mr. Chong was the 16th and 17th term committee member, the vice chairman of the 18th term of HKCPMA. Before founding the Group, he has already engaged in the business of paper products in Hong Kong by running small paper products business with several other partners. After founding the Group, Mr. Chong has been responsible for overseeing the Group's development strategy and financial performance, procurement and sales, marketing of the Group, making him have over 20 years experience in the operation and management of companies engaging in manufacturing and/or trading of corrugated paper products in Hong Kong and the PRC. Mr. Chong is the father of Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam, all of whom are executive Directors. Ms. Chan Po Chai, one of the senior management of the Group, is the elder sister of Ms. Chan Po Ting, the spouse of Mr. Chong.

Mr. CHONG Wa Pan (莊華彬先生), aged 36, is the eldest son of Mr. Chong and is the Managing Director of the Group. He joined the Group in December 1991 and is responsible for the Group's overall management. Mr. Chong Wa Pan obtained a post-graduate certificate in June 2002 and a professional certificate in March 2006 both in Enterprise Management from Shanxi University of Finance and Economics (山西財經大學). Mr. Chong Wa Pan is a member of the Political Consultative Conference of Jiangxi Province (江西省政協委員), the honorary-president of Taiyuan City Association of Overseas Liaison (太原市海外聯誼會名譽會長), a director of the Shanxi Association of Overseas Liaison (山西省海外聯誼會理事), a director of the Jiangxi Association of Overseas Liaison (江西省海外聯誼會理事), an executive director of Neimenggu Association of Overseas Liaison (內蒙古海外聯誼會常務理事), and the vice president of the Eastern District Industries & Commerce Association (香港東區工商業聯會副會長). Mr. Chong Wa Pan has over 15 years experience in the daily operation of the Group and sales and marketing of corrugated paper products in Hong Kong and the PRC, which are gained within the Group.

Mr. YIU Ho Chi Stephen (姚好智先生), aged 46, is the Chief Financial Officer and Company Secretary of the Group. He joined the Group in June 2002 and is responsible for the financial management of the Group. Mr. Yiu holds a Diploma in Accounting from Hong Kong Shue Yan College, a Bachelor's degree in Law from Peking University and a Master degree in Business from Curtin University of Technology in Australia. Mr. Yiu is a member of American Institute of Certified Public Accountants, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Certified Information Systems

Auditor. Mr. Yiu has over 20 years of experience in auditing, accounting and finance gained from international public accounting firm, multinational corporations and listed companies in Hong Kong. Prior to joining the Group, Mr. Yiu served as an audit staff in Spicer and Oppenheim (now known as Deloitte Touche Tohmatsu after merging) for over two years. During the period from August 1989 to February 1995, Mr. Yiu served for the Sino Land Group (which has three listed companies in Hong Kong) and was responsible for internal audit and treasury functions. Mr. Yiu served for Far East Regional Office of Polaroid Corporation (a company which was listed in the United States) and was responsible for accounting and treasury functions for the period from February 1995 to July 1996. Mr. Yiu served as the group financial controller of Freight Links Express Holdings (Hong Kong) Limited (a company listed in Hong Kong now known as Neo-China Land Group (Holdings) Limited) for the period from July 1996 to March 2000 and also served as the financial controller of a company, which is principally engaged in manufacturing and trading of toys for another two years.

Mr. CHONG Wa Ching (莊華清先生), aged 31, is the second son of Mr. Chong. Mr. Chong Wa Ching is the general manager of the Third Production Plant. He joined the Group in August 2000 and is responsible for the management of the Group's offset printing operations including the strategic planning and control of the procurement and logistic activities. Mr. Chong Wa Ching holds a Bachelor's degree in Business (Information Technology) from Swinburne University of Technology in Australia. Mr. Chong Wa Ching was a director of Yan Chai Hospital of the 36th and 37th term (2003-2005) board of directors and is a honorary director of Yan Chai Hospital.

Mr. CHONG Wa Lam (莊華琳先生), aged 29, is the youngest son of Mr. Chong. He joined the group in April 2002 and is responsible for the Group's sales and marketing activities including sales development and product development of the Group. Mr. Chong Wa Lam obtained a post-graduate certificate in June 2002 and a professional certificate in March 2006 both in Enterprise Management from Shanxi University of Finance and Economics (山西財經大學). He is a member of the Political Consultative Conference of Nanchang City Jiangxi Province (江西省南昌市政協委員), a director of the Shanxi Association of Overseas Liaison (山西省海外聯誼會理事), a vice chairman of Guangdong Huidong Association of Foreign Investment Enterprises (廣東惠東外商企業投資協會副會長) and a director of the HKCPMA.

Independent non-executive Directors

Mr. CHAU On Ta Yuen (周安達源), aged 61, was appointed as an independent non-executive Director on 5 February 2009. He graduated from Xiamen University, majoring in Chinese language and literature. Mr. Chau is currently the chairman of the board of directors of Wonson International Holdings Limited which is listed on the Main Board. He is the independent non-executive director of Wonderful World Holdings Limited and Buildmore International Limited, which are listed on the Main Board. He is also an independent non-executive director of Everpride Biopharmaceutical Company Limited, which is listed on the GEM. During the period from March 2000 to November 2006, Mr. Chau had been an executive director and vice-chairman of Everbest Energy Holdings Limited (now known as Dynamic Energy Holdings Limited), which is listed on the Main Board. The principal activities of the subsidiaries of Everbest Energy Holdings Limited

consisted of the generation and sale of electricity through the operation of a coal-fired electricity power plant located in Fujian Province, the PRC. He is currently the managing director of Wealthy Sea Group (H.K.) Limited. He has been appointed as director of Joycheers Holdings Limited in 1996 and Everbest Water Treatment Development Company Limited in 2002, which is engaged in the trading and construction business and water treatment development respectively. He is a member of the Chinese People's Political Consultative Conference of the PRC (全國政協委員) and the vice chairman of Hong Kong Federation of Fujian Associations (香港福建社團聯會副主席).

Ms. TSUI Pui Man (徐珮文女士), aged 51, was appointed as an independent non-executive Director on 5 February 2009. She is a practising lawyer in Hong Kong. Ms. Tsui holds a Bachelor's degree in Arts and a Bachelor's degree in Law from the University of Hong Kong. Ms. Tsui is a qualified solicitor in Hong Kong (admitted in 1988), England and Wales, Australia and Singapore. She is also a Notary Public and a China-Appointed Attesting Officer. Ms. Tsui was a member of Disciplinary Panel of Hong Kong Certified Public Accountants. She is a member of Political Consultative Conference of Shanxi Province (山西省政協委員) and a council member of Association for the Promotion of Peaceful National Reunification of China (中國和平統一促進會理事).

Mr. LAW Tze Lun (羅子璘先生), aged 36, was appointed as an independent non-executive Director on 5 February 2009. He is a Practising Certified Public Accountant in Hong Kong. Mr. Law holds a Bachelor of Commerce (Accounting) from the Curtin University of Technology in Australia. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. Mr. Law has over 15 years of experience in auditing, accounting and finance gained from various accounting firms in Hong Kong.

SENIOR MANAGEMENT

Mr. CHU Lok Fung Barry (朱樂峰先生), aged 38, is the Chief Accountant of the Group. Mr. Chu joined the Group in August 2003 and is responsible for the financial and accounting management and secretarial affairs of the Group. Mr. Chu holds a Master of Science in Accountancy degree from the Hong Kong Polytechnic University and a Bachelor's degree in Business from Monash University in Australia. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. Mr. Chu has over ten years of experience of auditing, financial and accounting gained from international accounting firms and listed companies. Prior to joining the Group, Mr. Chu served as a management trainee in Midas Printing Limited, its holding company is a company listed on the Main Board of the Stock Exchange, in March 1996 for more than a year and was responsible for group budgeting and management reports. Starting from May 1997, Mr. Chu served as an auditor in two audit firms in Hong Kong for another five years, during which he was responsible for various statutory and special audit assignments.

Mr. PUN Tsz Kwong (潘子光先生), aged 46, is the deputy general manager of the Group and the director of Chance Bright. He joined the Group in April 2007 and is responsible for the planning and coordination of productions between various plants within the Group and in charge of the offset printing operations of the Group. He holds a Master

of Science in Management of Manufacture from Coventry University in Scotland. Before joining the Group, Mr. Pun has more than 18 years experience in manufacturing industries management involved production, material control, procurement and logistics. Prior to joining the Group, Mr. Pun served as project coordinator and product and material control supervisor in companies in the garment, windsurfing and yacht sails industry for nearly two years and was responsible for purchasing and production and material control with various production capacity. Mr. Pun then worked in a company engaged in manufacturing and responsible for sourcing, material planning, purchasing and industrial engineering for more than 12 years. He served as the plant manager and assisted to set up a factory in Beijing from 2003 to 2005 and had held the capacity of director of material before joining the Group.

Mr. YEOH Keng Gut, aged 40, is the plant manager of Come Sure Shenzhen. He joined the Group in June 2007 and is responsible for overall plants operation of Come Sure Shenzhen. He holds a Bachelor's degree in Applied Science (Engineering) from University of Toronto in Canada. Before joining the Group, Mr. Yeoh served as an automation engineer at Litronix Malaysia (Sdn.) Bhd. (now known as OSRAM Opto Semiconductors (Malaysia) Sdn Bhd), a company in the electronics industry for nearly two years. He then joined Federal Packages Sdn. Bhd., a company engaged in the manufacturing of corrugated board boxes and multi-wall paper bags as an assistant production manager and production manager for more than two years and was responsible for the daily operation of carton division, ensured the quality of the product according to the specification of the customers and prepared production data for management review. He then served as a general manager at Wah Sang Paper Products (Shenzhen) Co., Ltd., a company engaged in the manufacturing of various kinds of packaging products including corrugated paperboard and paper box with different specifications in Shenzhen, the PRC for nearly six years and was responsible for the technical aspects of machinery and computer. After that, he served as a director at Eiko Paper and Printing Company Limited, a company in the packaging industry, for more than two years. Mr. Yeoh has more than 12 years experience in the packaging industry involved in production, planning and customer services.

Ms. LAU Yin Chuen (劉燕邨女士), aged 55, is the group purchasing manager of the Group. She joined the Group in March 2000 and is responsible for the overall logistic management of raw materials purchasing of the Group. Ms. Lau holds a Diploma in Economics from the Beijing Institute of Commerce (北京商學院) now known as Beijing Technology and Business University (北京工商大學) in Beijing, the PRC. Before joining the Group, Ms. Lau has over 12 years of experience in finance and accounting of which approximately four years gained from a company which involved in the manufacturing and/or trading of electronic consumer products.

Mr. CHONG Wa Nam (莊華楠先生), aged 38, is the supervisor (監事) of Come Sure Shenzhen. Mr. Chong Wa Nam joined the Group since 1992 and is responsible for monitoring the management and operations of Come Sure Shenzhen to ensure the Group is in compliance with the PRC company laws and other legal regulations. Mr. Chong Wa Nam holds a professional certificate in Enterprise Management from Shanxi University of Finance and Economics (山西財經大學). Mr. Chong Wa Nam has more than 15 years of experience in the packaging industry involved in production, logistics, customer services and administration gained within the Group.

Ms. CHAN Po Chai (陳寶釵女士), aged 59, the elder sister of Ms. Chan Po Ting, the spouse of Mr. Chong, is the administration manager of the Group and the director of Come Sure Macau. She joined the Group in 1990 and is responsible for the administration and customer services. Ms. Chan has more than 18 years of experience in the packaging industry involved in logistic, credit control and customer services gained within the Group.

COMPANY SECRETARY

Mr. Yiu Ho Chi Stephen, *CISA, CPA*

DIRECTORS' REMUNERATION

The Directors received remunerations from the Group during the Track Record Period. The total remunerations paid to the Directors for the three years ended 31 March 2008 and the six months ended 30 September 2008 were approximately HK$3.0 million, HK$3.8 million, HK$3.2 million and HK$1.6 million respectively. Under the arrangements currently in force, the aggregate emoluments payable by the Group to the Directors (including the independent non-executive Directors) for the year ending 31 March 2009 will be approximately HK$3.7 million.

Each of the executive Directors has entered into a service contract with the Company. Each of the executive Directors shall be entitled to a basic salary and a discretionary bonus to be determined by the Board with reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items provided that the aggregate amount of discretionary bonuses payable to all executive Directors of the Company in respect of any financial year of the Group shall not exceed 10% of the audited consolidated or combined net profits attributable to shareholders of the Company after taxation and minority interests but before extraordinary and exceptional items of the Group for the relevant financial year. Further details of which are set out in the paragraph headed "Further information about substantial shareholders, directors and experts" in Appendix VI to this prospectus.

AUDIT COMMITTEE

The Company established an audit committee in compliance with the code provisions of the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules on 5 February 2009. It consists of three independent non-executive Directors, namely Mr. Law Tze Lun, Ms. Tsui Pui Man and Mr. Chau On Ta Yuen. Mr. Law Tze Lun is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and the Group's internal control system, to review the Company's annual report and accounts and half-yearly reports and to provide advice and comments thereon to the Board. In addition, the audit committee will consider any significant and unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's compliance officer and external auditors.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 5 February 2009 in compliance with the code provisions of the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of three independent non-executive Directors and one executive Director, namely Ms. Tsui Pui Man, Mr. Law Tze Lun, Mr. Chau On Ta Yuen and Mr. Chong Wa Pan. Ms. Tsui Pui Man is the chairman of the remuneration committee. The primary duties of the committee are to formulate and recommend to the Board on the Group's policy and structure for all remuneration of the Directors and senior management of the Group, establish a formal and transparent procedure for developing policy on remuneration, determine specific remuneration packages of the employees (including that of the executive Directors) in the manner specified in its terms of reference, review approving performance-based remuneration, and review and recommend to the Shareholders as to the fairness and reasonableness of the terms of any Director's service agreement which is subject to the prior approval of the Shareholders in general meeting pursuant to the Listing Rules.

NOMINATION COMMITTEE

The Company established a nomination committee on 5 February 2009 with written terms of reference. The nomination committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of the Board's succession. The nomination committee will ensure that only candidates with capability and relevant experience will be appointed as future Directors and assess the independence of independent non-executive Directors. The nomination committee consists of three independent non-executive Directors and one executive Director, namely Ms. Tsui Pui Man, Mr. Chau On Ta Yuen, Mr. Law Tze Lun and Mr. Chong Wa Pan. Ms. Tsui Pui Man is the chairman of the nomination committee. Under its terms of reference, the nomination committee shall meet at least once a year.

COMPLIANCE ADVISER

The Company is expected to appoint Kingsway Capital, which is the Sponsor, as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise the Company on the following matters:

(1) before the publication of any regulatory announcement, circular or financial report;

(2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

(3) where the Company proposes to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the business activities, developments or results of the Company deviate from any information in this prospectus; and

(4) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or trading volume of the Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

EMPLOYEES

Number of employees

The following table set out a breakdown of the employees of the Group[#] by functions and geographical locations as at the Latest Practicable Date:

	PRC	Hong Kong	Macau	Total
Management	4	4	4	12
Finance and administration	68	8	6	82
Production	296	–	–	296
Sales and marketing	32	4	–	36
Design and development	18	–	–	18
Quality control	28	–	–	28
Logistics	79	1	–	80
	525	17	10	552

Relationship with employees

The Directors consider that the Group maintains a good working relationship with its employees. The Group has not experienced any major difficulties in recruiting and retaining suitable employees.

Remuneration and training

The Group offers a remuneration and benefit package to its employees. Such package includes participation in provident fund and medical schemes. Apart from regular on-the-job training, the Group will engage professional parties to provide training to its staff. Among others, Come Sure Shenzhen invited Shanxi University of Finance and Economics University Modern Hotel Management Research Institute (山西財經大學現代酒店管理研究所) in July 2006 to set up a one-year training program for its staff in respect of enterprise management, human resources management, sales management, strategic management, production management, economic and contract regulations, fundamental

[#] *Labour of the Processing Partner are not employees of the Group and therefore are not included in the table above.*

accounting, enterprise strategic planning, business negotiation and public relationships. These programmes aim to ensure that staff can obtain updated job related knowledge and enhance quality of their work.

Pension scheme

In the PRC, the Group contributes to a state-managed retirement plan for its PRC employees as determined by the local PRC government. Contributions to the schemes by the Group and its employees are determined based on certain percentages of employee's basic salaries.

In Hong Kong, the Group has set up a retirement scheme in accordance with the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the Laws of Hong Kong. All Hong Kong based employees and the Group are required to contribute 5% of their respective monthly wages (up to a maximum contribution of HK$1,000 by each of the employee and the Group) on a monthly basis to the fund.

In Macau, under the social security scheme of Macau, Macau subsidiaries are required to contribute MOP30 each month for each local employee.

The Directors confirm, save as disclosed in the section headed "Business" in this prospectus, that the Group has complied with the relevant mandatory requirements in relation to insurance during the Track Record Period.

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme which will enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group. The principal terms of this scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares that may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), the following persons will have interests or short positions in the Shares or underlying Shares which will fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares

Name	Capacity/Nature	Number of Shares	Percentage of issued Shares
Perfect Group *(Note 1)*	Beneficial owner	210,000,000	75.00%
Jade City Assets Limited *(Note 1)*	Interest of controlled corporation	210,000,000	75.00%
HSBC International Trustee Limited *(Note 1)*	Trustee	210,000,000	75.00%
Mr. Chong *(Note 2)*	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	210,000,000	75.00%
Ms. Chan Po Ting *(Note 3)*	Family Interests; Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. Chong Wa Pan *(Note 4)*	Beneficiary of a discretionary trust	210,000,000	75.00%
Ms. Hung Shan Shan *(Note 5)*	Family interests	210,000,000	75.00%
Mr. Chong Wa Ching *(Note 4)*	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. Chong Wa Lam *(Note 4)*	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. Chong Kam Hung *(Note 4)*	Beneficiary of a discretionary trust	210,000,000	75.00%

Name	Capacity/Nature	Number of Shares	Percentage of issued Shares
Mr. Chong Kam Shing *(Note 4)*	Beneficiary of a discretionary trust	210,000,000	75.00%
Ms. Chong Sum Yee *(Note 4)*	Beneficiary of a discretionary trust	210,000,000	75.00%
Mr. Zhang Cheng Fei	Beneficial owner	14,000,000	5.00%

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 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.

2. Mr. Chong is the founder, an executive Director, President of the Group and the Chairman of the Board. Mr. Chong is the sole director of Perfect Group and therefore Mr. Chong is deemed or taken to be interested in the interests 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 the interests held by Perfect Group for the purposes of the SFO.

3. Ms. Chan Po Ting, the spouse of Mr. Chong and one of the beneficiaries of the CHONG Family Trust, is deemed or taken to be interested in the interests held by Perfect Group for the purposes of the SFO.

4. Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam, all being 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 the interests held by Perfect Group for the purposes of the SFO.

5. 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 for the purposes of the SFO.

The authorised and issued share capital of the Company are as follows:

Authorised:		*HK$*
2,000,000,000	Shares	20,000,000

Issued and to be issued, fully paid or credited as fully paid:

10,000	Shares in issue	100
70,000,000	Shares to be issued under the Share Offer	700,000
209,990,000	Shares to be issued under the Capitalisation Issue	2,099,900

Total:

280,000,000	Shares	2,800,000

Assumptions

The above table assumes that the Share Offer becomes unconditional and the issue of Shares pursuant to the Share Offer and the Capitalisation Issue are made, but takes no account of any Shares which may be allotted and issued pursuant to any options which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment, issue and repurchase of the Shares granted to the Directors as described below.

Ranking

The Offer Shares will rank pari passu in all respects with all other Shares in issue or to be issued as mentioned in this prospectus, and in particular, will qualify in full for all dividends and other distributions hereafter declared, paid or made on the Shares after the date of this prospectus except in respect of the Capitalisation Issue.

Share Option Scheme

The Company has conditionally adopted the Share Option Scheme, the purpose of which is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group. The principal terms of which are summarised in the section headed "Share Option Scheme" in Appendix VI to this prospectus.

General mandate to issue new Shares

The Directors have been granted a general unconditional mandate to allot, issue and deal in the Shares with a total nominal value of not more than the sum of:

1. 20% of the total nominal amount of the share capital of the Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue; and

2. the total nominal amount of the share capital of the Company repurchased by the Company (if any) under the general mandate to repurchase Shares referred to below.

The Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue or deal in the Shares pursuant to a rights issue, scrip dividend or similar arrangement or the exercise of options granted under the Share Option Scheme.

This mandate will expire:

- at the conclusion of the Company's next annual general meeting; or

- the expiry of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws to be held; or

- the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or revising such mandate;

whichever occurs first.

For further details of this general mandate, see the paragraph headed "Written resolutions of the sole Shareholder passed on 5 February 2009" in Appendix VI to this prospectus.

General mandate to repurchase Shares

The Directors have been granted a general unconditional mandate to exercise all the powers of the Company to repurchase Shares with a total nominal value of not more than 10% of the total nominal amount of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue.

This mandate only relates to repurchases made on the Stock Exchange in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the paragraph headed "Repurchase by the Company of its Shares" in Appendix VI to this prospectus.

This mandate will expire:

- at the conclusion of the Company's next annual general meeting unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

- the expiry of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws to be held; or

- the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or revising such mandate;

whichever occurs first.

For further details of this general mandate, see the paragraph headed "Written resolutions of the sole Shareholder passed on 5 February 2009" in Appendix VI to this prospectus.

This section should be read in conjunction with the Group's financial information, including the notes thereto, as set forth in "Appendix I — Accountants' Report of the Group" to this prospectus. The financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The following discussion and analysis contain forward-looking statements that involve risks and uncertainties, details of which are set out in the section headed "Risk Factors" in this prospectus.

OVERVIEW

The Group is principally engaged in the manufacturing and sale of corrugated paperboards and paper-based packaging products to manufacturers with production base in the PRC for approximately 20 years. Customers of paper-based packaging products including manufacturers of consumer products in various industries such as electronic appliances, garment, furniture, food and beverages, toys, medicine as well as audio and video products. The Group carries out its production at the Three Production Plants located in Shenzhen in the PRC which, as at the Latest Practicable Date, had an aggregate annual production capacity of approximately 284 million sq.m. of corrugated paperboards and approximately 250 million pieces of corrugated cartons.

BASIS OF PRESENTATION

The Reorganisation involved companies under common control of a director of the Company, Mr. Chong. On 30 March 2006, pursuant to the Reorganisation, the Company became the holding company of the Group as the entire interest of the Group's subsidiaries were transferred to the Company by way of swap of shares.

The financial information of the Group as set out in the Accountants' Report of the Group in Appendix I to this prospectus is prepared in accordance with the principles and procedures of merger accounting as set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Group's consolidated income statements and consolidated cash flow statements for the Track Record Period include the results and cash flows of the combining entities as if the Group structure as at 30 September 2008 had been in existence throughout the Track Record Period or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination. The consolidated balance sheets of the Group as at 31 March 2006, 2007, 2008 and 30 September 2008 have been prepared to present the assets and liabilities of the combining entities as if the Group structure as at 30 September 2008 had been in existence as at those dates, except that the consolidated balance sheet as at 31 March 2006 has incorporated the balance sheets of Century Shiny and its subsidiary (the "CSI Group"), and China Apex and its subsidiary, subsidiaries of the Group which were disposed of in the year ended 31 March 2007. Certain financial information on the CSI Group is set forth in the Accountants' Report of the CSI Group in Appendix II to this prospectus.

FACTORS AFFECTING THE RESULTS OF OPERATIONS

The Group's results of operations and financial conditions have been and will continue to be affected by a number of factors, primarily including those set out below:

Demand for the Group's products

The Group's performance is directly linked to the performance of electronic appliances, garment, food and beverages as well as audio and video products industry in which most of the Group's major customers are operating. Any unfavorable change in the economic environment or decline in demand of the Group's products by its major customers, the Group's operations and business will be adversely affected.

Economic and other conditions in areas of operations in the PRC

The Group conducted substantially all of its operations in Guangdong Province and derived substantially all of its revenue from Guangdong Province during the Track Record Period. The future growth and financial performance will depend on the continuing growth of the China economy, particularly the economy of province in which the Group operates. Any economic downturn in the PRC in general or in Guangdong Province in particular may adversely affect the Group's future business and financial performance.

Pricing of raw paper

Raw materials and consumables accounted for approximately 85.1%, 86.2%, 85.9% and 86.8% of the Group's total cost of goods sold for the three years ended 31 March 2008 and the six months ended 30 September 2008. The principal raw material used by the Group is raw paper including kraftlinerboard and corrugated medium which form the outer and medium layers of corrugated paperboard. Prices of raw paper are subject to fluctuations according to market conditions including the number and production capacity of paper mills which affect the supply of raw paper and the demand of raw paper affected by the economic growth of the PRC and other regions in the world. Among others, if the economic growth of the PRC continue to be high thereby resulting in significant increase in demand on raw paper as packaging materials for consumer products and the supply of raw paper is unable to catch up with the fast growth of demand, the selling price of raw paper will experience upward pressure, and vice versa. The Group does not currently employ any commodity risk management strategies or engage in any hedging transactions to minimise the risks relating to fluctuations in the price of raw materials. If the Group is unable to reflect the increase in the price of raw paper in the price of its products, the operating results will be adversely affected.

Seasonality

The business operation of the Group is seasonal in nature. The Group's peak seasons for production are in the third and fourth quarters, particularly from June to November, due to the higher demand for paper-based packaging products in the few months before Christmas and Chinese Lunar New Year in general. Therefore, the Group's revenue and profit in the second half of a year are usually higher than that in the first half and the Group will continue to experience fluctuations in revenue and profit on an interim basis.

Impact of financial crisis on the Group

The recent financial crisis in the world has adversely affected the U.S. and the world economies. With a deteriorating worldwide economy, demand for, among other things, consumer products may fall, which in turn may affect the demand for the Group's corrugated paperboards and paper-based packaging products. In addition, in amid of the credit tightening environment, banks may vary the terms of bank loans or the banking facilities currently available to the Group.

As advised by the Directors, they recorded growth in the Group's turnover for the six months ended 30 September 2008 as compared with that for the same period last year. However, turnover of November 2008 decreased as compared to that last year, which was mainly due to reduction of orders from certain customers and reduction of selling price of certain products of the Group. In light of the recent global financial crisis, the Group has been more cautious with orders placed by its customers. Orders were mainly accepted from selected customers, in particular, those with good payment history, and thus resulting in decrease in the Group's turnover. The Directors consider that the risk management measure above is necessary in light of the deteriorating economy.

The total banking facilities granted to the Group decreased from approximately HK$611 million as at 31 March 2008 to HK$504 million as at 30 September 2008. Such decrease, however, was not expected by the Directors to have material adverse impact on the Group in light of the fact that only 23% of such facilities was utilised as at 30 September 2008. As at 30 September 2008, the total banking facilities was approximately HK$503.7 million, of which approximately HK$116.7 million was utilised. As at the Latest Practicable Date, the Group has not received any notification from its principal bankers regarding potential withdrawal of the above banking facilities, early payment of outstanding bank borrowings, request for increase in the amount of pledges for secured bank borrowings.

CRITICAL ACCOUNTING POLICIES

Significant Accounting Policies and Estimates

The Group has identified certain accounting policies that are significant to the preparation of the Group's financial information. The significant accounting policies, which are important for an understanding of the Group's financial condition and results of operations, are set forth in detail in note 4 of Section G of the Accountants' Report of the Group in Appendix I to this prospectus. The preparation of the financial information in conformity with Hong Kong Financial Reporting Standards ("HKFRSs") issued by HKICPA requires the use of certain key assumptions and estimates. It also requires the directors to exercise their judgements in the process of applying the accounting policies. Critical accounting policies are those that require management's subjective, or complex judgement, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Estimates and judgement are based on historical experience, prevailing market conditions and rules and regulations and are reviewed on a continual basis taking into account the changing environment and circumstances. In the Track Record Period, there is no material deviation from estimates and assumptions made. In the opinion of the Directors, the estimates and assumptions are not likely to be changed in the near future, as they are not aware of any significant changes in the factors on which the estimates and judgements are based. Below is a summary of the accounting policies that the Directors consider both important to the presentation of the Group's financial results and involve a need to make estimates about the effect of matters that are inherently uncertain.

- *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

- *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

• *Property, plant and equipment*

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated income statements during the Track Record Period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	20 years
Leasehold improvements	5–20 years
Plant and machinery	5–10 years
Furniture, fixtures and equipment	5–10 years
Motor vehicles	5–10 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Construction in progress represents plant and machinery pending installation and is stated at cost less accumulated impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statements.

• *Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the consolidated income statements.

Impairment losses are reversed in subsequent periods and recognised in the consolidated income statements when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date of the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

• *Trade and other payables*

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

RESULTS OF OPERATIONS

Set out below is a summary of the consolidated results of the Group for the Track Record Period, which has been extracted from the Accountants' Report of the Group as set out in Appendix I to this prospectus. Certain financial information on the CSI Group is set forth in the Accountants' Report of the CSI Group in Appendix II to this prospectus.

		Year ended 31 March			Six months ended 30 September	
		2006	2007	2008	2007	2008
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000 (unaudited)*	*HK$'000*
Turnover	*1*	574,871	643,198	665,667	333,134	392,183
Cost of goods sold		(466,293)	(517,840)	(524,737)	(271,222)	(312,799)
Gross profit		108,578	125,358	140,930	61,912	79,384
Other income		2,966	1,761	2,412	1,371	1,081
Selling expenses		(18,422)	(21,378)	(19,078)	(9,450)	(13,178)
Administrative expenses		(35,619)	(38,667)	(48,877)	(19,596)	(23,442)
Other operating expenses		(2,439)	(4,599)	(1,343)	(1,266)	(143)
Profit from operations		55,064	62,475	74,044	32,971	43,702
Finance costs		(7,361)	(9,982)	(6,841)	(3,606)	(2,255)
Profit before tax		47,703	52,493	67,203	29,365	41,447
Income tax expense		(1,648)	(3,201)	(5,908)	(3,122)	(3,564)
Profit for the year/period		46,055	49,292	61,295	26,243	37,883
Dividends		60,000	30,000	40,000	–	–
Earnings per Share						
Basic	*2*	24.46 cents	23.87 cents	29.19 cents	12.50 cents	18.04 cents

Notes:

1. Turnover represents net invoiced value of goods sold for the Track Record Period.

2. The calculation of the basic earnings per share for the Track Record Period is based on the consolidated profit for the year/period for each of the Track Record Period and the weighted average number of 188,265,000, 206,486,700, 210,000,000, 210,000,000 and 210,000,000 Shares (taken into account 209,990,000 Shares to be issued pursuant to the Capitalisation Issue) for the three years ended 31 March 2008 and the six months ended 30 September 2007 and 2008 respectively.

   No diluted earnings per share are presented as the Group did not have any dilutive potential shares during the Track Record Period.

Overview of the major revenues and expense items

The following is an overview of the major revenues and expenses contributing to the trading record of the Group during the Track Record Period:

Turnover

During the Track Record Period, the turnover of the Group was mainly generated from the manufacturing and sale of corrugated paperboards as well as paper-based packaging products. Set out below is an analysis of the turnover of the Group during the Track Record Period as categorised by products:

	Year ended 31 March						Six months ended 30 September			
	2006		2007		2008		2007		2008	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(unaudited)			
Corrugated paperboards	251,723	43.8	271,198	42.2	325,311	48.9	146,779	44.1	162,125	41.3
Paper-based packaging products	307,627	53.5	355,412	55.2	324,390	48.7	178,650	53.6	220,683	56.3
Substandard paperboards and scraps	15,521	2.7	16,588	2.6	15,966	2.4	7,705	2.3	9,375	2.4
Total	574,871	100	643,198	100	665,667	100	333,134	100	392,183	100

Customers of the Group's corrugated paperboards mainly include manufacturers of corrugated carton, while those of paper-based packaging products mainly include consumer products manufacturers of renowned brands of consumer products in various industries such as electronic appliances, garment, furniture, food and beverages, toys, medicine as well as audio and video products and/or their manufacturing arm or OEM who use the Group's products for packaging purposes. The Group has established long-term business relationship with manufacturers of consumer products of international brands such as Philips (飛利浦) in electronic appliances, audio and video products industry, Jinlongyu (金龍魚) in food and beverages industry. In addition, the Group sells its substandard paperboards and scraps to corrugated carton manufacturers, paper mills and scrap dealer.

Cost of goods sold

The table below is an analysis of the major items of the Group's cost of good sold during the Track Record Period.

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Raw materials and consumables	396,682	446,472	450,721	233,539	271,571
Labour costs	19,304	20,160	20,585	11,123	10,360
Depreciation	18,953	19,441	22,086	10,874	11,498
Rental expenses	8,395	9,020	9,420	4,578	5,155
Electricity	14,798	13,834	13,849	6,939	9,217
Repairs and maintenance	3,802	2,097	3,903	1,877	1,985
Subcontracting expenses	1,650	3,706	1,821	1,063	1,265
Others	2,709	3,110	2,352	1,229	1,748
Total	466,293	517,840	524,737	271,222	312,799

As shown above, the costs of raw materials and consumables were the most significant component of the Group's cost of goods sold, representing approximately 85.1%, 86.2%, 85.9% and 86.8% of the total cost of goods sold respectively for the three years ended 31 March 2008 and the six months ended 30 September 2008.

Other income

The table below is an analysis of the Group's other income during the Track Record Period.

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Interest income	904	1,077	1,719	775	981
Reversal of allowance for bad and doubtful debts	1,641	376	214	209	17
Rental income	18	18	17	9	1
Sundry income	403	290	462	378	82
	2,966	1,761	2,412	1,371	1,081

Allowance for bad and doubtful debts was made during the Track Record Period as the trade receivables remained exceptionally long outstanding at the time of assessment and of which the likelihood of successful collection was considered to be low by the management of the Group. Reversal of such allowance for bad and doubtful debts was made afterwards as a result of subsequent repayment by the respective debtors.

Selling, administrative and other operating expenses

The Group's expenses during the Track Record Period comprised selling expenses, administrative expenses and other operating expenses. Set out below are the Group's expenses during the Track Record Period as categorised by selling expenses, administrative expenses and other operating expenses:

	Year ended 31 March			Six months ended 30 September	
	2006	**2007**	**2008**	**2007**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Selling expenses					
Delivery expenses	17,106	19,502	18,003	8,849	12,223
Commission paid	995	1,539	803	481	680
Marketing, advertising and promotional expenses	321	337	272	120	275
	18,422	21,378	19,078	9,450	13,178
Administrative expenses					
Staff costs	13,654	14,444	15,718	6,747	9,109
Directors emoluments	2,974	3,768	3,156	1,579	1,609
Entertainment	2,673	2,285	2,455	1,022	1,609
Rental and related expenses	1,879	1,414	1,383	679	831
Depreciation	1,232	1,644	1,719	910	961
Amortisation of prepaid land lease payments	40	40	109	69	110
Net exchange loss	2,824	3,722	10,552	2,166	569
Travelling	2,304	2,775	3,189	1,710	1,918
Legal and professional expenses	1,305	1,243	1,899	554	1,261
Others *(Note)*	6,734	7,332	8,697	4,160	5,465
	35,619	38,667	48,877	19,596	23,442

Note: Other administrative expenses mainly included, amongst others, building management fee, donation, electricity and water, insurance, office expenses, repairs and maintenance, membership fees and other miscellaneous expenses.

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Other operating expenses					
Loss/(gain) on disposal of property, plant and equipment	1,291	(14)	77	–	143
Allowance for bad and doubtful debts and bad debts written off	1,140	1,075	1,266	1,266	–
Legal and professional expenses	–	3,538	–	–	–
Loss on disposal of subsidiaries	8	–	–	–	–
	2,439	4,599	1,343	1,266	143

Finance costs

During the Track Record Period, the Group's finance costs comprised mainly of interest expenses on bank borrowings and finance lease charges.

Income tax expenses

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Hong Kong profits tax					
Current tax	67	914	2,452	1,550	314
(Over)/under-provision in previous years	(49)	85	326	–	–
	18	999	2,778	1,550	314
PRC enterprise income tax					
Current tax	1,435	1,700	4,020	1,910	2,650
Tax refund	(622)	(606)	–	–	–
Tax credit	–	–	(1,290)	(421)	–
Under-provision in previous years	–	40	–	–	–
	813	1,134	2,730	1,489	2,650
Deferred tax	817	1,068	400	83	600
	1,648	3,201	5,908	3,122	3,564

The Company and the subsidiaries are incorporated in different jurisdictions, with different taxation requirements.

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

BVI

As advised by the BVI Legal Advisers, each of Jumbo Match, Grand View, Central Master Limited, Central Dragon Limited and Come Sure Holdings, being a BVI business company registered under the BVI Business Companies Act, 2004 of the BVI, is exempt from all provisions of the income tax of the BVI.

Hong Kong

Hong Kong profits tax is calculated at 17.5% for the three years ended 31 March 2006, 2007 and 2008 and at 16.5% for the six months ended 30 September 2008 of the estimated assessable profit of Come Sure Holdings, Come Sure Development, Keen Rise and Wah Ming for the Track Record Period.

The mode of manufacturing operations of Wah Ming is within the scope of the Departmental Interpretation and Practice Note No.21 issued by the Inland Revenue Department of Hong Kong (the "IRD"), that Wah Ming conducts its manufacturing operations by entering into the Processing Arrangement with the Processing Partner in the PRC and, hence 50% of the adjusted profits were treated as offshore and not taxable in Hong Kong.

Keen Rise was incorporated on 21 February 2008. It was inactive during the period from 21 February 2008 to 31 March 2008 and has commenced its business during the six months period ended 30 September 2008. Relevant tax provision for Keen Rise on the basis that Keen Rise is fully subject to Hong Kong profits tax has been provided for the period ended 30 September 2008. No profits tax return has been issued from the IRD to Keen Rise.

Since 2001, the Group has engaged the tax department of RSM Nelson Wheeler ("Tax Consultant") to assist the Group to handle the tax matters, including but not limited to tax computation and tax compliance for Come Sure Holdings, Come Sure Development and Wah Ming. The Tax Consultant is of the view that Come Sure Holdings, Come Sure Development, Wah Ming and Luck Sea Investment Limited have properly complied with Hong Kong relevant tax laws to file the tax returns and settle the outstanding tax as due during the Track Record Period.

Starting from the year of assessment 1998/99, Come Sure Holdings claimed to the IRD that 50% of its profits was not subject to Hong Kong profits tax ("50% offshore claim") as part of its operations were performed outside Hong Kong. The 50% offshore claim has been reviewed and accepted by the IRD for the years of assessment 1998/99 and 1999/2000. Following the basis accepted by the IRD in 1998/99 and 1999/2000, Come Sure Holdings lodged the 50% offshore claim to the IRD for the years of assessment from 2000/01 to 2006/07. On 7 January 2008, the IRD issued an enquiry letter requesting for

information to support Come Sure Holdings' 50% offshore claim for year of assessment 2006/07 and incorporation and financial details of the Group's two Macau subsidiaries, Chance Bright and Come Sure Macau. To facilitate the finalisation of Come Sure Holdings' Hong Kong profits tax position, submission was made to the IRD on 5 February 2008 to withdraw the 50% offshore claim lodged from the years of assessment 2004/05 to 2006/07 and provide relevant information of Chance Bright and Come Sure Macau. Relevant provision for Hong Kong profits tax resulting from the withdrawal of the 50% offshore claim has been provided in the financial information of the Group.

On 10 March 2008, the IRD issued a letter requesting Come Sure Holdings to provide supporting information if Come Sure Holdings wishes to pursue the 50% offshore claim for the years of assessment prior to 2004/05 and certain financial information of Chance Bright and Come Sure Macau.

On 12 March 2008, the IRD issued an additional tax assessment for year of assessment 2001/02 of approximately HK$242,000 to Come Sure Holdings on the basis that Come Sure Holdings is wholly subject to Hong Kong profits tax. The Group has settled the additional tax assessment for year of assessment 2001/02 as due.

On 30 July 2008, in order to finalise Come Sure Holdings' profits tax position on a timely basis, a reply to the IRD's enquiry letter of 10 March 2008 was submitted to withdraw the 50% offshore claim lodged for the years of assessment 2001/02 to 2006/07. On 20 January 2009, the IRD had an interview with Mr. Chong to further understand the Group's operating structure. On 2 February 2009, the IRD issued two letters to Mr. Chong requesting for certain financial information of Come Sure Holdings, Come Sure Development, Wah Ming, Come Sure Shenzhen, Chance Bright and Come Sure Macau. As at the Latest Practicable Date, the Directors were not aware of any further enquiry by the IRD in respect of Come Sure Holdings' 50% offshore claim.

A total amount of provision for Hong Kong profits tax for the years of assessment 2002/03 to 2006/07 resulting from the withdrawal of the 50% offshore claim of approximately HK$1.0 million has been made in the Group's financial information. No additional tax provision was made in the Group's financial information for the years of assessment prior to 2001/02 as those assessment years had been statutorily time-barred. The Tax Consultants confirm that no additional tax provision has to be made by the Group for the years of assessment prior to 2001/02. The Directors believe that it is unlikely the IRD would impose a penalty as the matter under dispute does not involve any omission or provision of incorrect information/statement when filing the tax returns. In addition, as the IRD has reviewed Come Sure Holdings' tax position for the years of assessment 1998/99 and 1999/2000, the withdrawal of 50% offshore claim was not due to any fault of Come Sure Holdings when it first claimed the 50% offshore claim and therefore the IRD would unlikely impose any penalty/surcharge. As such, the Tax Consultant concurs with the Directors' view that no provision for penalty/surcharge is required for the withdrawal of 50% offshore claim.

The Tax Consultant concurs with the Directors' opinion and is of the view that the provision for Hong Kong profits tax (including the result from the withdrawal of the 50% offshore claim) made in the financial information of the Group is sufficient and not excessive. The Directors also confirm that, and the Tax Consultant is of the view that, the Group has made all the requisite tax filings for its Hong Kong subsidiaries during the Track Record Period, and the Group's Hong Kong subsidiaries have agreed with the IRD on the amount of their tax liabilities, except for IRD's queries on Come Sure Holdings' 50% offshore claim.

Macau

In 2004, the Group engaged the Tax Consultant to advise on the procedures and regulations in relation to the establishment of Chance Bright and Come Sure Macau.

The Group's Macau subsidiaries, Chance Bright and Come Sure Macau, located in Macau were incorporated under the Macau SAR's Offshore Law. Pursuant to the Macau SAR's Offshore Law, approved Macau offshore institutions are exempted from Macau complementary tax. As confirmed by the Macau Legal Advisers, Chance Bright and Come Sure Macau are exempted from Macau complementary tax, pursuant to Decree Law no. 58/99M of Macau, as both of which do not sell their products to a Macau resident company or a Macau resident.

A portion of the Group's profits during the Track Record Period are earned by the Macau subsidiaries of the Group. In the opinion of the Directors, that portion of the Group's profit is exempted from Macau complementary tax, and is not at present subject to taxation in any other jurisdictions in which the Group operates.

Based on the confirmation of the Group's management and the Tax Consultant's review on the operation mode of Chance Bright and Come Sure Macau and the relevant documents provided by the management of the Group, the Tax Consultant concurs with the Directors' opinion that Chance Bright's and Come Sure Macau's profits are exempted from Macau complementary tax, and is not at present subject to taxation in any other jurisdictions in which the Group operates.

The Macau Legal Advisers and the Directors confirmed that Chance Bright and Come Sure Macau have made the requisite tax filings to the relevant tax authorities in Macau during the Track Record Period.

The PRC

Pursuant to the "Rules for the Implementation of the Income Tax Law of the People's Republic of China for Foreign Invested Enterprises and Foreign Enterprises"《中華人民共和國外商投資企業和外國企業所得税法實施細則》in the PRC, Come Sure Shenzhen which was established in Shenzhen is subject to the PRC enterprise income tax of 15% for the period from 1 April 2005 to 31 December 2007. In addition, since Come Sure Shenzhen exported more than 70% of its total output for the period from 1 April 2005 to 31 December 2006, Come Sure Shenzhen was qualified as an Export-Oriented Enterprise ("EOE") and was entitled for a 50% reduction in enterprise income tax but limited to a minimum

enterprise income tax rate of 10% for the relevant periods. The new PRC enterprise income tax law ("EIT Law") unifies the enterprise income tax rate for domestic and foreign enterprises at 25% and has come into effect since 1 January 2008. The enterprise income tax reduction for EOE described above is no longer available under the new EIT Law. Pursuant to Notice [2007]39 "Notice on Implementation of Enterprise Income Tax Transitional Preferential Treatment" (國務院關於實施企業所得税過渡優惠政策的通知) 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 transitional period before they are required to pay the statutory rate. Subject to the final approval of Shenzhen tax bureau, the applicable tax rate for Come Sure Shenzhen would be 18% for the first three quarters of 2008 according to the Tax Supplementary Report (納税輔導報告) issued by the relevant PRC tax bureau, and an enterprise income tax application form submitted by Come Sure Shenzhen and accepted by the relevant PRC tax bureau. The applicable tax rates for Come Sure Shenzhen during the Track Record Period were as follows:

Period from 1 April 2005 to 31 December 2006	10%
Period from 1 January 2007 to 31 December 2007	15%
Period from 1 January 2008 to 30 September 2008	18%

The PRC Legal Advisers, the relevant PRC tax bureau and the Directors confirmed that, during the Track Record Period, the Group's PRC subsidiaries have filed the PRC tax returns in accordance with the relevant PRC tax laws, rules and regulations. Also, the PRC Legal Advisers have not found any record in relation to violation of the existing PRC tax laws, rules and regulations, or any record of penalty by the relevant authorities except for the late payment surcharge of approximately RMB0.3 million as mentioned below.

Since 2006, for the preparation of Listing, the Group further engaged the Tax Consultant to review the Group's tax provision for the years ended 31 March 2006 to 31 March 2008 and the six months ended 30 September 2008 and to issue a tax provision review report ("Tax Provision Review Report") for the relevant periods. The Tax Consultant has discussed with the management and the finance personnel of the Group for the operation of the entities and also reviewed relevant documents. The Tax Consultant is of the view that the tax provisions provided by the Group for each of the three years ended 31 March 2008 and the six months ended 30 September 2008 are adequate but not excessive.

Since 2006, the Group has engaged the Tax Consultant to review the transfer pricing arrangement adopted by the Group to assess if the intra-group related parties transactions for each of the five consecutive years ended 31 March 2008 and the six months ended 30 September 2008 were conducted on an arm's length basis among three business segments, namely sales and distribution (Come Sure Holdings, Come Sure Macau and Keen Rise), processing (Come Sure Shenzhen) and procurement (Come Sure Development and Chance Bright) and issued a transfer pricing review report ("Transfer Pricing Review Report") for the relevant periods.

The management of the Group has conducted "Function and Risk Analysis" for each of the five consecutive years ended 31 March 2008 and the six months ended 30 September 2008 which has then been reviewed by the Tax Consultant by comparing the business functions, business risks, manufacturing intangibles and marketing intangibles on the parties involved in the Group's intra-group related parties transactions.

The sales and distribution segment of the Group, comprising mainly Come Sure Holdings, Come Sure Macau and Keen Rise, takes up functions like quality control, process engineering and production control, bears risks in financial, manufacturing and market areas. It holds most of the marketing intangibles for the business.

The processing segment of the Group, comprising mainly Come Sure Shenzhen, takes up most of the basic manufacturing functions and risks including the PRC government licenses, labour and equipment.

The procurement segment of the Group, comprising mainly Come Sure Development and Chance Bright, only responsibles for procurement functions and risk of the raw material procurement.

Based on the functional and risk analysis performed by the Group, the split of operating profits among the three business segments, namely sales and distributions, processing and procurement is approximately 38.4%, 41.7% and 19.9% respectively for each of the five consecutive years ended 31 March 2008 and the six months ended 30 September 2008. The Group has consistently adopted such allocation basis for the preparation of the financial information for each of the five consecutive years ended 31 March 2008 and the six months ended 30 September 2008. The Tax Consultant is of the view that the profit allocation basis is justifiable and the Group has consistently adopted such allocation basis for each of the five consecutive years ended 31 March 2008 and the Group's tax provisions as of 31 March 2006, 2007 and 2008 and 30 September 2008 are adequate but not excessive.

In July 2007, the Group engaged Shenzhen Shangboxin Registered Tax Agents Co. Ltd., 深圳市商博信税務師事務所有限責任公司 ("PRC Tax Agent"), to handle the PRC tax matters and to conduct a detail study on the Group's transfer pricing arrangement in the PRC and to opine on the tax impact as a result of the aforesaid transfer pricing arrangement for the relevant years up to year ended 31 December 2006. The PRC Tax Agent has reviewed Come Sure Shenzhen's management accounts for years ended 31 March 2002 to 2007 (of which the fiscal year end date as at 31 March and was prepared based on Hong Kong generally accepted accounting principles) and its PRC statutory financial statements for years ended 31 December 2001 to 2006 (of which the fiscal year end date as at 31 December and was prepared based on the PRC accounting standards). According to the tax report ("PRC Tax Report") issued by the PRC Tax Agent in August 2007, discrepancies were found in the operating profits between Come Sure Shenzhen's management accounts and the PRC statutory financial statements due to the adoption of different year end dates, timing difference in recognition of certain revenues and expenses and the transfer pricing arrangement between Come Sure Shenzhen and other operating subsidiaries of the Group. As such, the PRC Tax Agent proposed additional taxable profits adjustments in the books of Come Sure Shenzhen for the relevant years up to year ended 31 December 2006.

Based on the advice of the PRC Tax Agent, Come Sure Shenzhen voluntarily reported its transfer pricing arrangement adopted in the intra-group related parties transactions and paid an additional Enterprise Income Tax ("EIT") of approximately RMB6.5 million and late payment surcharge of approximately RMB0.3 million, where such tax and surcharge has been provided in the financial information of the Group, covering periods up to the year ended 31 December 2006, to the relevant PRC tax bureau in September 2007. The Tax Consultant was advised by the Directors that the issues identified by the PRC Tax Agent has been reported to the relevant PRC tax bureau and is satisfied that the tax payment above was duly accepted and resolved. The Tax Consultant has reviewed the PRC Tax Report and considered that the proposed additional taxable profits adjustments in the books of Come Sure Shenzhen and additional EIT paid to the relevant PRC tax bureau for the relevant years up to year ended 31 December 2006 is reasonable and not excessive, and no further taxable profits adjustments subsequent to 31 December 2006 is necessary.

As confirmed by the Directors and the PRC Legal Advisers, one of the senior management of the Group, accompanied and witnessed by the PRC Legal Advisers, arranged a meeting with the Shenzhen Baoan Tax Bureau (深圳市寶安區地方稅務局) (the "Tax Authority") on 10 September 2008. The relevant officer of the Tax Authority acknowledged the payment of additional enterprise income tax of approximately RMB6.5 million and late payment surcharge of approximately RMB0.3 million by Come Sure Shenzhen, covering period up to the year ended 31 December 2006, made in September 2007. According to the officer of the Tax Authority, the Tax Authority has duly accepted the payment of additional EIT and late payment surcharge and has no intention to impose any further penalty or surcharge on Come Sure Shenzhen.

Taking into account the abovementioned tax payment and work performed, the Tax Consultant is of the view that no additional tax provision arising from transfer pricing arrangement is required up to the period ended 30 September 2008 and the possibility that the PRC, Hong Kong or Macau tax bureaus overrule the allocation basis of the Group's profits for the five years ended 31 March 2008 and the six months ended 30 September 2008 is remote.

Taking into consideration the transfer pricing arrangement and the issues identified by the PRC Tax Agent during the Track Record Period, the Group has implemented specific internal control procedures since January 2007 and the management of the Group will review the subject matter abovementioned on a regular basis. Accounting department of all the Group's subsidiaries are required to submit individual company's financial statements to the Group's head accounting department on monthly basis. In addition, the Group's subsidiaries are required to summit the following documents to the Group's head accounting department an quarterly basis, (1) reconciliation of inter-company balances; (2) reconciliation statement of the PRC statutory financial statements which was prepared based on the PRC accounting standards and the management accounts which was prepared based on Hong Kong generally accepted accounting principles; (3) reconciliation of timing difference in recognition of certain revenues and expenses; (4) report of reviewing the execution of the transfer pricing arrangement between the Group's operating subsidiaries; and (5) report on the tax provision position, tax filing, tax payment in accordance with the relevant laws and regulations in the jurisdictions in which the

subsidiaries operates. The Group's head accounting department will, based on the abovementioned information, prepare the Group's consolidated financial statements on a monthly basis, and provide the abovementioned reports on consolidated basis to the Group's management for review and discussion. The Group's management will review the Group's tax provision position and the transfer pricing arrangement between its operating subsidiaries on a quarterly basis and to evaluate the sufficiency of the Group's tax position and adequacy of tax payments.

As at the Latest Practicable Date, the Directors were not aware of any enquiry or investigation by any of the relevant PRC tax bureau with respect to the Group's transfer pricing arrangement or other tax affairs. The relevant PRC tax bureau and the Directors have confirmed that the outstanding tax liabilities of the companies in the PRC have been settled. In addition, the Controlling Shareholder(s) also provide tax indemnity (including related penalty and surcharge) to the Group.

Selected balance sheet data

The table below shows selected balance sheet data form the Group's audited consolidated balance sheet as at 31 March 2006, 31 March 2007, 31 March 2008 and 30 September 2008.

	Year ended 31 March			Six months ended 30 September
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
of which, Property, plant and equipment	128,475	131,195	130,997	126,517
Current assets				
of which, Inventories	68,580	51,016	77,277	66,518
of which, Trade and other receivables	155,447	152,899	172,384	204,928
of which, Bank and cash balances	49,629	39,728	56,148	48,131
Current liabilities				
of which, Trade and other payables	63,195	77,236	97,462	79,530
Net current assets	26,810	86,367	115,248	165,413
Non-current liabilities	4,840	8,776	10,721	8,728
Total equity	152,838	214,266	241,473	289,185

Financial ratios

	Year ended 31 March			Six months ended 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Gross profit margin [(1)]	18.9%	19.5%	21.2%	20.2%
Net profit margin [(2)]	8.0%	7.7%	9.2%	9.7%
Current ratio [(3)]	1.1	1.4	1.5	1.9
Trade receivables turnover days [(4)]	80	81	84	84
Trade payables turnover days [(5)]	27	33	42	35
Inventory turnover days [(6)]	54	42	45	42
Gearing ratio [(7)]	44.5%	27.1%	20.0%	23.7%

Notes:

(1) Being gross profit for the year/period divided by turnover, multiplied by 100%.

(2) Being profit for the year/period divided by turnover, multiplied by 100%.

(3) Being the current assets divided by current liabilities at the end of the year/period.

(4) Being the average of beginning of year/period and end of year/period trade receivables divided by turnover of the year/period, multiplied by 365 days/183 days.

(5) Being the average of beginning of year/period and end of year/period trade payables divided by cost of goods sold of the year/period, multiplied by 365 days/183 days.

(6) Being the average of beginning of year/period and end of year/period inventories divided by cost of goods sold of the year/period, multiplied by 365 days/183 days.

(7) Being end of year/period total short-term bank borrowings and long-term bank borrowings divided by end of year/period total assets, multiplied by 100%.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP'S RESULTS OF OPERATIONS DURING THE TRACK RECORD PERIOD

Six months ended 30 September 2008 compared to six months ended 30 September 2007

Turnover

Turnover of the Group for the six months ended 30 September 2008 was approximately HK$392.2 million, representing an increase of HK$59.1 million or 17.7% from approximately HK$333.1 million for the six months ended 30 September 2007. The Group's turnover comprises of sales contributed by three categories of products, namely corrugated paperboards, paper-based packaging products and substandard paperboards and scraps which accounted for approximately 41.3%, 56.3% and 2.4% respectively of the Group's turnover for the six months ended 30 September 2008. For the six months ended 30 September 2007, corrugated paperboards, paper-based packaging products and substandard paperboards and scraps accounted for approximately 44.1%, 53.6% and 2.3% of the Group's turnover respectively.

During the six months ended 30 September 2008, turnover contributed by the sale of corrugated paperboards was approximately HK$162.1 million as compared with approximately HK$146.8 million for the six months ended 30 September 2007. For the six months ended 30 September 2008, the average selling price per tonne of corrugated paperboards sold increased by approximately 19.0% from that of the same period in 2007 which offset decrease in the total quantity sold for the six months ended 30 September 2008 by 7.1% from that of the same period in 2007. The market price of raw paper surged during late 2007 and early 2008. To cope with the increasing raw paper costs, the Group successfully shifted the increasing costs to the customers by increasing the average selling price of its products. The Group reduced sale to customers with lower profit margin gradually, resulting in a drop in the total quantity of corrugated paperboards sold for the six months ended 30 September 2008.

Turnover contributed by the sale of paper-based packaging products was approximately HK$220.7 million for the six months ended 30 September 2008 as compared with approximately HK$178.7 million for the six months ended 30 September 2007, representing an increase of approximately HK$42.0 million or 23.5%. Such increase was mainly due to substantial increase in the average selling price per tonne of approximately 32.0% for the six months ended 30 September 2008 from that of the same period in 2007, partially offset by decrease in total quantity sold of approximately 6.4% for the period. In light of the increasing raw paper costs, the Group adjusted the average selling price of its products in order to maintain the profit margin. Moreover, a number of customers increased orders for high quality or multi-colour offset printing corrugated cartons, of which selling price was higher, since late 2007.

Turnover contributed by the sale of substandard paperboards and scraps for the six months ended 30 September 2008 was approximately HK$9.4 million as compared with approximately HK$7.7 million for the six months ended 30 September 2007, representing an increase of HK$1.7 million or 22.1%. The increase in substandard paperboards and

scraps generated during the six months ended 30 September 2008 was in line with the increase in turnover and production. Turnover contributed by the sale of substandard paperboards and scraps accounted for approximately 2.4% of the Group's turnover for the six months ended 30 September 2008 which is comparable to that of 2.3% for the same period in 2007.

Turnover attributable to domestic delivery export, domestic sales and direct export was approximately 62.8%, 34.7% and 2.5% respectively for the six months ended 30 September 2008, as compared with approximately 67.7%, 32.0% and 0.3% for the year ended 31 March 2008. The booming economy in the PRC allowed the Group to capture more sales from domestic market.

Cost of goods sold

Cost of goods sold of the Group for the six months ended 30 September 2008 was approximately HK$312.8 million, representing an increase of HK$41.6 million or 15.3% from approximately HK$271.2 million for the same period in 2007. Increase in cost of goods sold was mainly due to increase in raw materials and consumables of approximately HK$38.1 million from approximately HK$233.5 million for the six months ended 30 September 2007 to approximately HK$271.6 million for the same period in 2008 and increase in electricity of approximately HK$2.3 million from approximately HK$6.9 million for the six months ended 30 September 2007 to approximately HK$9.2 million for the same period in 2008. During the six months ended 30 September 2008, the average market price of raw paper remained steady from April to May 2008 and experienced drop in average market price since June 2008, which increased the cost of raw materials and consumables in general. Increase in cost of goods sold of approximately 15.3% from the six months ended 30 September 2007 to the six months ended 30 September 2008 was in line with the increase in turnover of approximately 17.7% for the same period.

Gross profit and gross profit margin

Gross profit and gross profit margin was approximately HK$79.4 million and 20.2% for the six months ended 30 September 2008 as compared with approximately HK$61.9 million and 18.6% for the six months ended 30 September 2007. The management's implementation of stringent cost control and drop in cost of raw paper abovementioned have contributed to the improvement in gross profit margin.

Other income

Other income for the six months ended 30 September 2008 was approximately HK$1.1 million, as compared to that of approximately HK$1.4 million for the six months ended 30 September 2007. Slight decrease in other income was mainly due to decrease in reversal of allowance for bad and doubtful debts from approximately HK$0.2 million for the six months ended 30 September 2007 to that of approximately HK$17,000 for the six months ended 30 September 2008 and decrease in sundry income from approximately HK$0.4 million for the six months ended 30 September 2007 to that of approximately HK$0.1 million for the six months ended 30 September 2008. Sundry income includes mainly testing fees received from customers.

Selling, administrative and other operating expenses

For the six months ended 30 September 2008, selling expenses were approximately HK$13.2 million, representing an increase of HK$3.7 million or 38.9% from approximately HK$9.5 million for the six months ended 30 September 2007. Increase in selling expenses was mainly due to increase in delivery expenses to approximately HK$12.2 million for the six months ended 30 September 2008 from approximately HK$8.8 million for the same period in 2007. Transportation fee paid to transportation service providers which was charged based on, among others, certain specific percentage of invoice value of goods delivered increased during the period as a result of increase in turnover. Such charging rate has been increased since April 2008 mainly due to increase in petroleum cost.

Administrative expenses increased by HK$3.8 million or 19.4% from HK$19.6 million for the six months ended 30 September 2007 to approximately HK$23.4 million for the six months ended 30 September 2008. Increase in administrative expenses was mainly attributable to increase in staff costs of approximately HK$2.4 million and legal and professional expenses of approximately HK$0.7 million and others of approximately HK$1.3 million. Increase in staff cost was mainly due to a general salary increment for the six months ended 30 September 2008 as compared with the same period in 2007.

Other operating expenses decreased from approximately HK$1.3 million for the six months ended 30 September 2007 to approximately HK$143,000 for the six months ended 30 September 2008. For the six months ended 30 September 2008, loss on disposal of property, plant and equipment was approximately HK$143,000. For the six months ended 30 September 2007, there was approximately HK$1.3 million for allowance of bad and doubtful debts and bad debts written off.

Finance costs

Finance costs, comprising interests on bank borrowings, decreased from approximately HK$3.6 million for the six months ended 30 September 2007 to approximately HK$2.3 million for the six months ended 30 September 2008. Decrease in finance costs was mainly due to decrease in the average loan balances of the Group for the six months ended 30 September 2008 as compared to the same period in 2007. During the six months ended 30 September 2008, the Group repaid HK$10.8 million net trust receipt loans and HK$2.9 million bank loans. The Group raised additional bank loans of approximately HK$35.0 million in August 2008. During the six months ended 30 September 2007, the Group raised HK$48.8 million net trust receipt loans and HK$28.5 million bank loans and repaid bank loans of HK$57.9 million. The average interest rates of short-term bank borrowings and long term bank borrowings were approximately 5.67% per annum and 5.70% per annum at 30 September 2008 respectively.

Income tax

Income tax was approximately HK$3.6 million for the six months ended 30 September 2008 as compared to that of approximately HK$3.1 million for the six months ended 30 September 2007. Even though the profit before tax increased from approximately HK$29.4 million for the six months ended 30 September 2007 to approximately HK$41.4 million for the six months ended 30 September 2008, the effective tax rate decreased from approximately 10.6% for the six months ended 30 September 2007 to approximately 8.6% for the six months ended 30 September 2008. Such decrease in the effective tax rate for the six months ended 30 September 2008 was mainly due to change in applicable tax rates for the Group companies in the PRC and Hong Kong. For the six months ended 30 September 2008, the applicable tax rates for the Group companies in the PRC and in Hong Kong were approximately 18% and 16.5% as compared to the same of approximately 15% and 17.5% for the six months ended 30 September 2007. For the six months ended 30 September 2008, the non-deductible expenses for tax were approximately HK$140,000 compared to that of approximately HK$1.1 million for the same period in 2007 which led to decrease of approximately HK$1.0 million in income tax expense for the six months ended 30 September 2008. Non-deductible expenses for tax mainly including expenses of non-trading nature, such as donation, interest expenses attributable for non-income assets and the tax penalty charge.

Profit for the year and net profit margin

Net profit and net profit margin was approximately HK$37.9 million and 9.6% for the six months ended 30 September 2008 as compared to approximately HK$26.2 million and 7.9% for the six months ended 30 September 2007. Increase in net profit margin for the six months ended 30 September 2008 was in line with the increase in turnover and gross profit margin.

Current ratio

Current ratio for the six months ended 30 September 2008 was 1.9 as compared with that of 1.5 for the six months ended 31 March 2008. Current assets increased by approximately HK$15.3 million from approximately HK$343.9 million as at 31 March 2008 to approximately HK$359.2 million as at 30 September 2008, which was mainly due to increase in trade and other receivables of approximately HK$32.5 million offset by decrease in inventory of approximately HK$10.8 million and decrease in bank and cash balances of approximately HK$8.0 million. In addition, current liabilities decreased by approximately HK$34.8 million from approximately HK$228.6 million as at 31 March 2008 to approximately HK$193.8 million as at 30 September 2008, which was mainly due to decrease in trade and other payables of approximately HK$17.9 million. In view of the volatility in the current market price of raw paper and the prediction of falling market price of raw paper, the management intended to keep fewer inventories which led to decrease in trade and other payables, and as a result, current ratio increased.

Trade receivables and trade receivables turnover days

Trade receivables were approximately HK$195.6 million and HK$163.2 million as at 30 September 2008 and 31 March 2008 respectively, of which approximately HK$40.0 million and HK$54.1 million were amount of trade receivables overdue as at the respective dates. Decrease in trade receivables overdue amounts was mainly due to efficient and effective receivables collection from customers by the Group's sales and marketing staff and selection and acceptance of orders from creditworthy customers by the management. For the six months ended 30 September 2008, bad debts of approximately HK$0.4 million have been written off.

As stated under the sub-section headed "Terms of sales and credit policy" under section headed "Business" to the prospectus, the Group adopts various credit control measures to monitor the amount of trade receivables overdue regularly. The Group makes allowance for bad and doubtful debts based on assessments of the recoverability of the trade receivables, including the current creditworthiness and the past collection history of the relevant customers. As at 31 December 2008, approximately 79.7% of the amount of trade receivables as at 30 September 2008 have been settled. In light of the above, the Directors consider that the provision for trade receivables made by the Group as at 30 September 2008 is sufficient.

The trade receivables turnover days for the six months ended 30 September 2008 was approximately 84 days which was the same to that of approximately 84 days for the year ended 31 March 2008. During the Track Record Period, the Group consistently offers credit terms to customers within a range of 15 days to 120 days after end of the month in which the relevant sales occurred.

Other receivables

Other receivables were approximately HK$9.3 million as at 30 September 2008 as compared with approximately HK$9.2 million as at 31 March 2008. Other receivables as at 30 September 2008 comprised of deposits paid, prepayments and others of approximately HK$0.9 million, HK$4.4 million and HK$4.0 million respectively. Decrease in deposits paid of approximately HK$1.8 million was mainly due to decrease in deposits paid for acquisition of property, plant and equipment. Increase in prepayments of approximately HK$2.7 million was mainly due to increase in prepayments for legal and professional fees from approximately HK$0.6 million as at 31 March 2008 to approximately HK$3.4 million as at 30 September 2008 for the preparation of the Listing of the Company. Others mainly included temporary advances to transportation service provide, advance to marketing and external affair staff, advance for market research expenses and general debtors.

Trade payables and trade payables turnover days

Trade payables were approximately HK$49.5 million and HK$68.6 million as at 30 September 2008 and 31 March 2008 respectively. The trade payables turnover days decreased from 42 days as at 31 March 2008 to 35 days as at 30 September 2008. As the international raw paper price decreased and comparable to that of the domestic raw paper price, the Group shifted a portion of raw paper procurement from the PRC suppliers to overseas suppliers who offer shorter credit periods. Moreover, the management has adopted tightening inventory control measures to reduce the inventories store-up period from approximately one-month period to less than one month. As such trade payables and trade payables turnover days were decreased accordingly.

Other payables

Other payables were approximately HK$30.1 million as at 30 September 2008 as compared with approximately HK$28.8 million as at 31 March 2008. Other payables as at 30 September 2008 comprised of accrued expenses, receipts in advance from customers, provision for social security fund and others of approximately HK$14.3 million, HK$1.0 million, HK$8.9 million and HK$5.9 million respectively. Slight increase in other payables of approximately HK$1.3 million was mainly due to increase in accrued expenses of approximately HK$2.3 million, which including increase of rental expenses of approximately HK$2.3 million and transportation expenses of approximately HK$0.8 million offset by slight decrease in accrued wages and messing for staff. Increase in provision for social security fund of approximately HK$0.6 million was due to the Group's additional provision for insufficient provision and contribution of social security fund for the staff of Come Sure Shenzhen and the Processing Partner for one-month period of April 2008. The Group has made full social security contributions for its employees according to the applicable PRC laws and regulations since May 2008. For details, please refer to the sub-section headed "Insurance" under the section headed "Business" in this prospectus.

Inventories turnover days

The inventory turnover days decreased to 42 days for the six months ended 30 September 2008 from 45 days for the year ended 31 March 2008. In view of the volatility of the current market price of raw paper and the prediction of further dropping in the market price of raw paper, the management of the Group decided to decrease and keep a lower inventory level to tackle with it.

Gearing ratio

Gearing ratio was approximately 23.7% for the six months ended 30 September 2008 as compared with 20.0% for the year ended 31 March 2008. Total bank borrowings were approximately HK$116.7 million and HK$95.9 million as at 30 September 2008 and 31 March 2008 respectively. For the six months ended 30 September 2008, the Group has repaid trust receipts loans and bank loans of approximately HK$13.7 million and raised additional bank loans of approximately HK$35.0 million. Such increase in the total bank borrowings also led to a higher gearing ratio.

Year ended 31 March 2008 compared to year ended 31 March 2007

Turnover

Turnover of the Group for the year ended 31 March 2008 was approximately HK$665.7 million, representing an increase of HK$22.5 million or 3.5% from approximately HK$643.2 million for the year ended 31 March 2007. The Group's turnover comprises of the sales contributed by three categories of product, namely corrugated paperboards, paper-based packaging products and substandard paperboards and scraps which accounted for approximately 48.9%, 48.7% and 2.4% respectively of the Group's turnover for the year ended 31 March 2008. For the year ended 31 March 2007, corrugated paperboards, paper-based packaging products and substandard paperboards and scraps accounted for approximately 42.2%, 55.2% and 2.6% of the Group's turnover respectively.

During the year ended 31 March 2008, turnover contributed by the sale of corrugated paperboards was approximately HK$325.3 million as compared with approximately HK$271.2 million in 2007. Even with a slight decrease of approximately 0.2% in the total quantity of corrugated paperboards sold for the year ended 31 March 2008 from that in 2007, the average selling price per tonne increased by approximately 20.3% from that in 2007. As a result, the Group recorded an increase of HK$54.1 million or 20.0% in sales of the corrugated paperboards from that in 2007. Such increase was driven by the ability that the Group leveraged the increasing raw paper costs to the corrugated paperboards customers.

Turnover contributed by the sale of paper-based packaging products was approximately HK$324.4 million for the year ended 31 March 2008 as compared with approximately HK$355.4 million in 2007, representing a decrease of HK$31.0 million or 8.7%. Such decrease in turnover was mainly due to a decrease in the total quantity of paper-based packaging products sold for the year ended 31 March 2008 of approximately 26.0% from that in 2007, partly offset by an increase in average selling price per tonne of approximately 23.4% for the year ended 31 March 2008 from that in 2007. The selling price of raw paper surged during the year ended 31 March 2008. In order to response to the volatile market condition and increasing production costs, the Group negotiated with paper-based packaging products customers for a higher selling price, resulting in a decrease in customers' orders in the first half of the financial year 2008 as compared with that in first half of 2007, and an decrease in turnover of paper-based packaging products for the year ended 31 March 2008. Nevertheless, the customers have adjusted themselves to the aforesaid price increase and increased their purchase from the Group in the second half of 2008. Moreover, the Group phased out customers with lower profit margin during the year so as to release certain production capacity for potential customers with higher profit margin.

Turnover contributed by the sale of substandard paperboards and scraps for the year ended 31 March 2008 was approximately HK$16.0 million as compared with approximately HK$16.6 million in 2007, representing a decrease of HK$0.6 million or 3.6%. Since the spoilage rate for production was slightly improved and fewer scraps were generated during production, slight decrease in turnover from substandard paperboards and scraps was recorded.

Turnover attributable to domestic delivery export, domestic sales and direct export was approximately 67.7%, 32.0% and 0.3% respectively for the year ended 31 March 2008, as compared with approximately 76.9%, 22.6% and 0.5% in 2007. Continuing shift from domestic delivery export sales to domestic sales was recorded. The booming economy in the PRC created more opportunities for the Group to capture the domestic sales market.

Cost of goods sold

Cost of goods sold of the Group for the year ended 31 March 2008 was approximately HK$524.7 million, representing an increase of HK$6.9 million or 1.3% from approximately HK$517.8 million for the year ended 31 March 2007. Slight increase in the cost of goods sold was mainly due to increase in raw materials and consumables amounting to HK$4.2 million and labour costs amounting to HK$0.4 million. During the year ended 31 March 2008, the average market price of raw paper increased in a steady pace. As the Group has developed long and good relationship with its major suppliers, with whom bi-monthly or quarterly procurement contracts were signed. As a result, stable supply of raw paper and lower average price was secured which benefited the Group to be less vulnerable to fluctuation in market price of raw paper.

Gross profit and gross profit margin

Gross profit and gross profit margin was approximately HK$140.9 million and 21.2% for the year ended 31 March 2008 as compared with approximately HK$125.4 million and 19.5% for the year ended 31 March 2007. Improvement in gross profit margin was mainly contributed by the Group's success in increasing its average selling price among customers in order to leverage the increasing raw paper costs and the Group's continuous effort in cost control.

Other income

Other income for the year ended 31 March 2008 was approximately HK$2.4 million, as compared with that of approximately HK$1.8 million for the year ended 31 March 2007. The increase in other income of approximately HK$0.6 million was mainly due to the increase in interest income of approximately HK$0.6 million. The average bank and cash balances for the year ended 31 March 2008 was in general higher than that in 2007 which resulted in an increase in interest income.

Selling, administrative and other operating expenses

For the year ended 31 March 2008, selling expenses were approximately HK$19.1 million, representing a slight decrease of HK$2.3 million or 10.7% from approximately HK$21.4 million for the year ended 31 March 2007. Decrease in selling expenses was mainly resulted from decrease in delivery expenses of approximately HK$1.5 million and commission paid of HK$0.7 million. The Group monitored and kept a stable proportion of selling expenses to the turnover which was 2.9% and 3.3% respectively for the years ended 31 March 2008 and 2007. Decrease in delivery expenses was due to more efficient delivery schedule arrangement, for example, bulk delivery to one customer or customers

within the same region or nearby and to avoid urgent delivery due to customers' tight production schedule. Commission expenses paid decreased to approximately HK$0.8 million for the year ended 31 March 2008 from HK$1.5 million in 2007, which was paid to Wah Ming's sales agents. The commission expenses were directly varied with the turnover generated by these sales agents.

Administrative expenses increased by HK$10.2 million or 26.4% to approximately HK$48.9 million for the year ended 31 March 2008 from approximately HK$38.7 million in 2007. Increase in administrative expenses was mainly attributable to increase in staff costs of approximately HK$1.3 million and increase in net exchange loss of approximately HK$6.9 million. Increase in staff costs was mainly due to a general salary increment during the year. Substantial increase in net exchange loss from HK$3.7 million for the year ended 31 March 2007 to HK$10.6 million for the year ended 31 March 2008 was mainly due to continuous appreciation of RMB against HK$ and USD. Such exchange loss was mainly resulted from translating the Group's monetary items and intra-group current accounts.

Other operating expenses decreased by HK$3.3 million to approximately HK$1.3 million for the year ended 31 March 2008 from approximately HK$4.6 million in 2007. The decrease was mainly due to recognition of legal and professional expenses in relation to listing preparation of approximately HK$3.5 million in 2007 but no such expenses was recognised in 2008.

Finance costs

Finance costs, comprising mainly interests on bank borrowings and finance lease charges, decreased substantially by approximately HK$3.2 million to approximately HK$6.8 million for the year ended 31 March 2008 from approximately HK$10.0 million in 2007. Such decrease was mainly due to a decrease in interest on bank borrowings by approximately HK$3.0 million for the year ended 31 March 2008. During the year ended 31 March 2008, interest rate on bank borrowings was reduced several times and kept at a low level. The average interest rates of short-term bank borrowings were approximately 3.47% and 6.01% per annum at 31 March 2008 and 2007 respectively and the average interest rates of long term borrowings were approximately 3.37% and 5.65% per annum at 31 March 2008 and 2007 respectively. During the year ended 31 March 2008, the Group repaid all the short-term bank loans denominated in RMB and incurred no new short-term bank loans denominated in RMB. The Group reduced in aggregate its bank borrowings by approximately HK$16.8 million during the year to reduce its finance costs burden, which resulted in a lower level of total bank borrowings as at 31 March 2008 of approximately HK$95.9 million as compared with that of approximately HK$112.7 million as at 31 March 2007.

Income tax

Income tax increased by approximately HK$2.7 million from approximately HK$3.2 million for the year ended 31 March 2007 to approximately HK$5.9 million for the year ended 31 March 2008. Effective tax rate increased from approximately 6.1% for the year ended 31 March 2007 to 8.8% for the year ended 31 March 2008. Increase in income tax was mainly due to an increase in provision for Hong Kong profits tax from approximately HK$1.0 million for the year ended 31 March 2007 to HK$2.8 million in 2008 and an increase in provision for PRC enterprise income tax from approximately HK$1.1 million for the year ended 31 March 2007 to HK$2.7 million in 2008.

Increase in provision for Hong Kong profits tax was because of the fully utilisation of previous operating loss arising from Come Sure Development in 2007. Profits derived from Come Sure Development and Come Sure Holdings in 2008 were fully assessable and taxable. Increase in provision for PRC enterprise income tax was mainly due to the change in applicable enterprise income tax rates in 2007 and 2008 for Come Sure Shenzhen. Applicable enterprise income tax rates for the period from 1 January 2008 to 31 March 2008 was 18% and for the period from 1 April 2007 to 31 December 2007 was 15%. The applicable enterprise income tax rates for the period from 1 January 2007 to 31 March 2007 was 15% and for the period from 1 April 2006 to 31 December 2006 was 10%. Tax credit of approximately HK$1.3 million arising from purchase of PRC homemade machinery offset part of enterprise income tax.

Profit for the year and net profit margin

Net profit and net profit margin was approximately HK$61.3 million and 9.2% for the year ended 31 March 2008 as compared with approximately HK$49.3 million and 7.7% for the year ended 31 March 2007. Improvement in net profit margin was in line with the improvement in gross profit margin which showed that the Group was efficient in controlling production costs, selling expenses and administrative expenses.

Current ratio

The current ratio for the year ended 31 March 2008 was 1.5 as compared with that of 1.4 for the year ended 31 March 2007. Slight increase in current ratio was mainly due to an increase in current assets of approximately HK$65.1 million which mainly arising from general increase in inventories, trade and other receivables and bank and cash balances, which overweighted an increase in current liabilities of approximately HK$36.1 million arising from increase in trade and other payables and dividend payable, and was partly offset by decrease in short-term bank borrowings.

Trade receivables and trade receivables turnover days

Trade receivables were approximately HK$163.2 million and HK$144.8 million as at 31 March 2008 and 31 March 2007 respectively, of which approximately HK$54.1 million and HK$50.1 million were amount of trade receivables overdue for the respective year. The amount of trade receivables overdue was mainly due to the fact that more time was required for resolving discrepancies on the transactions amount between the Group and

the respective customers on monthly basis and late settlement by certain relatively small customers in terms of their annual purchase amount from the Group. According to the past experience and negotiation with the respective customers, the Directors consider that the aforesaid discrepancies in monthly transaction amount are normal and can be resolved in general. Moreover, those small customers abovementioned are likely to settle their bills later as they have no recent history of default. For the three years ended 31 March 2008, bad debts of approximately nil, HK$2.4 million and HK$1.3 million have been written off. The Directors consider that the Group did not experience immense difficulties in collecting trade receivables in the past.

The trade receivables turnover days for the year ended 31 March 2008 was approximately 84 days as compared with 81 days in 2007. The Group offers credit terms to customers within a range of 15 days to 120 days after end of the month in which the relevant sales occurred. There was a slight increase in the trade receivables turnover days principally because some large orders were placed during the end of financial year 2008 which were not fall due as at 31 March 2008. The trade receivables turnover days for the year ended 31 March 2008 of 84 days was within the range of the credit periods granted to customers of 15 days to 120 days after end of the month in which relevant sales occurred.

Other receivables

Other receivables were approximately HK$9.2 million as at 31 March 2008 as compared with approximately HK$8.1 million as at 31 March 2007. Other receivables as at 31 March 2008 comprised of deposits paid, prepayments and others of approximately HK$2.7 million, HK$1.7 million and HK$4.8 million respectively. Decrease in deposits paid of approximately HK$1.1 million was mainly due to the decrease in deposits paid for acquisition of property, plant and equipments. Increase in prepayments of approximately HK$0.8 million was mainly due to increase in prepayments for legal and professional fees of approximately HK$0.6 million and increase in other prepayments in transportation and rental. Others mainly included temporary advances to transportation service provider, advance to marketing and external affair staff and advance for market research expenses.

Trade payables and trade payables turnover days

Trade payables were approximately HK$68.6 million and HK$52.6 million as at 31 March 2008 and 31 March 2007 respectively. The trade payables turnover days increased from 33 days for the year ended 31 March 2007 to approximately 42 days for the year ended 31 March 2008. There was an increase in trade payables turnover days because the Group continued to increase its portion of procurement from suppliers in the PRC during the year which usually offered longer credit periods than those overseas suppliers. The PRC suppliers offered, in general, credit periods range within 15 days to 90 days after end of the month in which the relevant purchase occurred. However, payments to overseas suppliers were by letter of credit at sight. In view of the increasing raw paper price trend, it was the intention of the management to procure more raw paper than usual to avoid increasing production costs.

Other payables

Other payables were approximately HK$28.8 million as at 31 March 2008 as compared with approximately HK$24.6 million as at 31 March 2007. Other payables as at 31 March 2008 comprised of accrued expenses, receipts in advance from customers, provision for social security fund and others of approximately HK$11.5 million, HK$2.1 million, HK$8.3 million and HK$6.9 million respectively. Increase in other payables for approximately HK$4.2 million was mainly due to increase in provision for social security fund of approximately HK$1.8 million to HK$8.3 million as at 31 March 2008 from HK$6.5 million in 2007, and increase in others by approximately HK$2.2 million to HK$6.9 million as at 31 March 2008 from HK$4.7 million in 2007. Such increase in provision for social security fund was due to the Group's additional provision for insufficient provision and contribution of social security fund for the staff of Come Sure Shenzhen and the Processing Partner during the year. For details, please refer to the sub-section headed "Insurance" under the section headed "Business" in this prospectus. Receipts in advance from customers increased by approximately HK$0.9 million to HK$2.1 million as at 31 March 2008 from HK$1.2 million in 2007, which was partly offset by slight decrease in accrued expenses of approximately HK$0.7 million as at 31 March 2008. Accrued expenses included mainly accruals for audit and taxation fee, rental expenses, transportation expenses, utility expenses and wages and messing for staff. Others mainly included accruals for purchase of machinery, accruals for listing expenses and other miscellaneous.

Inventories turnover days

The inventory turnover days increased to 45 days for the year ended 31 March 2008 from 42 days for the year ended 31 March 2007. The market price of raw paper experienced significant fluctuation during the year and the Director expected a further price increase of raw paper during the year ended 31 March 2008. To avoid being affected by the increasing raw paper price, the Group procured more raw paper during the last few months of the year ended 31 March 2008. As a result, the inventory turnover days slightly increased by 3 days.

Gearing ratio

Gearing ratio was approximately 20.0% for the year ended 31 March 2008 as compared with approximately 27.1% for the year ended 31 March 2007. Decrease in gearing ratio was mainly due to the Group's net repayment of bank borrowings of approximately HK$16.3 million during the year ended 31 March 2008. In view of the continuing appreciation of RMB against HK$, the management repaid all the bank borrowings denominated in RMB during the year ended 31 March 2008. As at 31 March 2008, total bank borrowings were approximately HK$95.9 million, as compared with that of approximately HK$112.7 million as at 31 March 2007.

Year ended 31 March 2007 compared to year ended 31 March 2006

Turnover

Turnover of the Group for the year ended 31 March 2007 was approximately HK$643.2 million, representing an increase of HK$68.3 million or 11.9% from approximately HK$574.9 million for the year ended 31 March 2006. The Group's turnover comprised of the sale of corrugated paperboards, paper-based packaging products and substandard paperboards and scraps which accounted for 42.2%, 55.2% and 2.6% respectively of the Group's turnover for the year ended 31 March 2007. For the year ended 31 March 2006, corrugated paperboards, paper-based packaging products and substandard paperboards and scraps accounted for approximately 43.8%, 53.5% and 2.7% of the Group's turnover respectively.

Turnover contributed by the sale of corrugated paperboards was approximately HK$271.2 million for the year ended 31 March 2007, as compared with approximately HK$251.7 million in 2006. The average selling price per tonne and total quantity sold of corrugated paperboards increased by approximately 2.0% and 5.6% respectively for the year ended 31 March 2007 from that in 2006. During the year ended 31 March 2007, the Group managed to enlarge its customer base to increase production and to increase its average selling price moderately.

Turnover contributed by the sale of paper-based packaging products was approximately HK$355.4 million for the year ended 31 March 2007 compared to approximately HK$307.6 million in 2006, representing an increase of HK$47.8 million or 15.5%. The total quantity of paper-based packaging products sold and the average selling price per tonne for the year ended 31 March 2007 increased by approximately 12.0% and 3.2% respectively from that in 2006. The Directors believe that the Group managed to offer an attractive selling price to customers and provide high quality products which in turn received more orders of paper-based packaging products from customers.

Turnover contributed by the sale of substandard paperboards and scraps for the year ended 31 March 2007 was approximately HK$16.6 million, as compared with approximately HK$15.5 million in 2006. Turnover increased by approximately HK$1.1 million or 7.1% because more scraps were generated accordingly as total production increased. Substandard paperboards and scraps accounted for approximately 2.6% of the Group's turnover for the year ended 31 March 2007 as compared with 2.7% in 2006.

Turnover attributable to domestic delivery export, domestic sales and direct export was approximately 76.9%, 22.6% and 0.5% respectively for the year ended 31 March 2007, as compared with approximately 82.0%, 17.6% and 0.4% in 2006. In view of the continuing boost in the PRC economy and appreciation of RMB against other currencies, the Group approached more domestic consumer product manufacturers and thus more turnover was generated from such domestic sales.

Cost of goods sold

For the year ended 31 March 2007, cost of goods sold was approximately HK$517.8 million, representing an increase of HK$51.5 million or 11.0% from approximately HK$466.3 million in 2006. Increase in cost of goods sold was mainly due to increase in raw materials and consumables of approximately HK$49.8 million, labour costs of approximately HK$0.9 million and subcontracting expenses of approximately HK$2.0 million. Increase in raw materials and consumables of approximately 12.6% and the increase in cost of goods sold of approximately 11.0% was in line with the increase in turnover. The management managed to control the direct overhead costs and cost of goods sold efficiently.

Gross profit and gross profit margin

Gross profit and gross profit margin was approximately HK$125.4 million and 19.5% for the year ended 31 March 2007 as compared with approximately HK$108.6 million and 18.9% in the previous year. Such improvement was mainly due to stringent control in labour cost and use of raw materials by the Group.

Other income

For the year ended 31 March 2007, other income amounted to approximately HK$1.8 million which represented a decrease of approximately HK$1.2 million or 40.0% from approximately HK$3.0 million for the year ended 31 March 2006. Such decrease was mainly due to decrease in reversal of allowance for bad and doubtful debts of approximately HK$1.3 million during the year.

Selling, administrative and other operating expenses

For the year ended 31 March 2007, selling expenses was approximately HK$21.4 million, representing an increase of approximately HK$3.0 million or 16.3% from approximately HK$18.4 million in 2006. As driven by the turnover growth during the year ended 31 March 2007, delivery expenses and commission paid increased by approximately HK$2.4 million and HK$0.5 million respectively for the year ended 31 March 2007 as compared with that in 2006. The Group managed to keep selling expenses at a stable proportion to turnover of approximately 3.3% and 3.2% for the years ended 31 March 2007 and 2006 respectively.

Administrative expenses increased by HK$3.1 million or 8.7% to approximately HK$38.7 million for the year ended 31 March 2007 from approximately HK$35.6 million in 2006. Such increase was mainly attributable to increase in staff cost of HK$0.7 million due to increase in salaries, increase in Directors emoluments of approximately HK$0.8 million and net exchange loss of approximately HK$0.9 million due to appreciation of RMB to HK$ and USD during the year.

Other operating expenses increased by HK$2.2 million to approximately HK$4.6 million for the year ended 31 March 2007 from approximately HK$2.4 million in 2006. The increase was mainly due to the legal and professional expenses of approximately HK$3.5 million incurred in relation to the Group's last listing application. In addition, gain on disposal of property, plant and equipment of approximately HK$14,000 was recorded for the year ended 31 March 2007 as compared with loss on disposal of property, plant and equipment of approximately HK$1.3 million in 2006.

Finance costs

For the year ended 31 March 2007, the total finance costs incurred by the Group were approximately HK$10.0 million, representing an increase of HK$2.6 million or 35.1% from that in 2006. Such increase was mainly due to increase in interest on bank borrowings of approximately HK$2.9 million. The average interest rates of short-term bank borrowings were 6.01% and 6.03% per annum at 31 March 2007 and 2006 and the average interest rates of long term borrowings were approximately 5.65% and 6.25% per annum at 31 March 2007 and 2006 respectively. Increase in interest on bank borrowings was due to the higher average bank borrowings balance for the year ended 31 March 2007 than that in 2006. Certain short-term bank borrowings was borrowed before the end of financial year 2006 to settle the amount due to directors, and was subsequently repaid in the financial year 2007.

Income tax

Income tax increased by approximately HK$1.6 million from approximately HK$1.6 million for the year ended 31 March 2006 to approximately HK$3.2 million for the year ended 31 March 2007. Effective tax rate increased from approximately 3.5% for the year ended 31 March 2006 to 6.1% for the year ended 31 March 2007. Increase in income tax was mainly due to the increase in provision for Hong Kong profits tax from approximately HK$18,000 in 2006 to approximately HK$1.0 million in 2007, and increase in provision for PRC enterprise income tax from approximately HK$0.8 million in 2006 to approximately HK$1.1 million in 2007.

There was an increase in provision for Hong Kong profits tax principally because previous operating loss arising from Come Sure Development was fully utilised in 2007. Slight increase in provision for PRC enterprise was mainly due to change in applicable enterprise income tax rates. Applicable enterprise income tax rate for the period from 1 January 2007 to 31 March 2007 was 15% and for the period from 1 April 2006 to 31 December 2006 was 10%. Applicable enterprise income tax for the period from 1 April 2005 to 31 March 2006 was 10%. Tax refund was approximately HK$622,000 and HK$606,000 for the year ended 31 March 2006 and 2007 respectively. As the value of exported goods was over 70% of the total sales turnover for the period from 1 April 2005 to 31 December 2006, Come Sure Shenzhen was qualified as an export-oriented enterprises and entitled for a reduced enterprise income tax rate of 10% for the relevant periods.

Profit for the year and net profit margin

Due to the aforesaid increase in selling and administrative expenses, finance costs and income tax expenses, profit for the year was approximately HK$49.3 million for the year ended 31 March 2007, resulting a profit margin of 7.7%, as compared with the profit for the year and profit margin of approximately HK$46.1 million and 8.0% in 2006.

Current ratio

The current ratio for the year ended 31 March 2007 was 1.4 as compared with that of 1.1 in 2006. Improvement in current ratio was mainly due to the net repayment of bank borrowings during the year ended 31 March 2007 of approximately HK$79.2 million, resulting in a lower level of short-term bank borrowings and current liabilities.

Trade receivables and trade receivables turnover days

Trade receivables were approximately HK$144.8 million and HK$141.9 million as at 31 March 2007 and 31 March 2006 respectively, of which approximately HK$50.1 million and HK$65.1 million were overdue for the respective year. Please refer to paragraphs headed "Trade receivables and trade receivables turnover days" under sub-section headed "Year ended 31 March 2008 compared to year ended 31 March 2007" for reasons of overdue.

The trade receivables turnover days for the year ended 31 March 2007 was approximately 81 days as compared with 80 days in 2006. The trade receivables turnover days for the year ended 31 March 2007 of 81 days was within the range of the credit periods granted to customer of 15 days to 120 days after end of the month in which the relevant sales occurred.

Other receivables

Other receivables mainly included deposits paid, prepayments and others of approximately HK$3.8 million, HK$0.9 million and HK$3.4 million as at 31 March 2007 respectively. As at 31 March 2006, approximately HK$9.7 million, HK$2.4 million and HK$1.4 million was recorded for deposits paid, prepayments and others respectively. Decrease in deposits paid as at 31 March 2007 was mainly due to disposals of subsidiaries which had paid a deposit of approximately HK$6.0 million in relation to the acquisition of a piece of land in Huidong. Decrease in prepayments was mainly due to the charging to income statement of legal and professional fees of preparation for listing of approximately HK$2.0 million in 2006. Others mainly included temporary advances to transportation service provider, advance to marketing and external affair staff and advance for market research expenses.

Trade payables and trade payables turnover days

Trade payables were approximately HK$52.6 million and HK$41.2 million as at 31 March 2007 and 31 March 2006 respectively. The trade payables turnover days for the year ended 31 March 2007 was approximately 33 days as compared with 27 days in 2006. Such increase was mainly due to the Group's increase its proportion of procurement from suppliers in the PRC during the year which offered longer credit periods in general than that offered by the suppliers overseas. Normally, the Group settled the procurement from overseas suppliers by letter of credit at sight.

Other payables

Other payables mainly included accrued expenses, receipts in advance from customers, provision for social security fund and others of approximately HK$12.2 million, HK$1.2 million, HK$6.5 million and HK$4.7 million as at 31 March 2007 respectively. As at 31 March 2006, accrued expenses, receipts in advance from customers, provision for social security fund and others of approximately HK$11.9 million, HK$0.2 million, HK$5.1 million and HK$4.8 million were recorded respectively. Increase in other payables was mainly due to increase in provision for social security fund of HK$1.4 million in view of the Group's insufficient provision for and contribution to social security fund for the staff of Come Sure Shenzhen and the Processing Partner during the year. For details, please refer to the sub-section headed "Insurance" under the section headed "Business" in this prospectus. There was an increase in receipts in advance from customers of approximately HK$1.0 million as the Group required customers with short business relationship to make advance payment before accepting orders from them.

Inventories turnover days

The inventories turnover days for the year ended 31 March 2007 was approximately 42 days as compared with 54 days in 2006. The Group increased its proportion of procurement from suppliers in the PRC which required a shorter delivery time as compared than that required by overseas suppliers. As a result, the Group did not have to pile up inventories while enjoying a stable supply of inventories from PRC suppliers.

Gearing ratio

The gearing ratio of the Group was approximately 27.1% for the year ended 31 March 2007, which decreased from approximately 44.5% for the year ended 31 March 2006. The Group had net repayment of bank borrowings of approximately HK$79.2 million during the year ended 31 March 2007. Total bank borrowings was approximately HK$112.7 million as at 31 March 2007, as compared with approximately HK$195.0 million as at 31 March 2006.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

The Group generally financed its operations through a combination of shareholders' equity, internally generated funds and bank borrowings.

The following table presents selected cash flow data from the Group's audited consolidated cash flow statements for the Track Record Period:

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Net cash generated from operating activities	51,136	112,895	61,034	9,626	13,436
Net cash used in investing activities	(22,979)	(32,770)	(20,188)	(15,699)	(6,390)
Net cash used in financing activities	(23,550)	(91,941)	(38,906)	14,879	(21,000)
Net increase/(decrease) in cash and cash equivalents	4,607	(11,816)	1,940	8,806	(13,954)
Effect of foreign exchange rate changes	1,259	2,212	13,971	4,507	6,446
Cash and cash equivalents at the beginning of year	43,466	49,332	39,728	39,728	55,639
Cash and cash equivalents at the end of year	49,332	39,728	55,639	53,041	48,131

Six months ended 30 September 2008 compared to six months ended 30 September 2007

The Group generated cash inflow from operating activities from receipt of cash from manufacturing and sale of corrugated paperboards, paper-based packaging products and substandard paperboards and scraps to customers. Cash outflow from operating activities mainly represented amounts paid to suppliers for purchase of raw paper and payment of production overheads and operating expenses.

For the six months ended 30 September 2008, the Group had a net cash inflow from operating activities of approximately HK$13.4 million as compare with approximately HK$9.6 million for the same period in 2007, representing an increase of net cash inflow from operating activities of approximately HK$3.8 million. Increase in net cash inflow from operating activities for the six months ended 30 September 2008 was mainly contributed by increase in profit before tax from approximately HK$29.4 million for the six months ended 30 September 2007 to approximately HK$41.4 million for the six months ended 30 September 2008. Apart from increase in profit before tax, decrease in inventories by approximately HK$10.9 million, increase in trade receivables of approximately HK$32.7 million and decrease in trade payables of approximately HK$19.2 million also have impacts on the net cash generated from operating activities for the six months ended 30 September 2008.

Cash outflows from investing activities mainly represented payment for purchase of property, plant and equipment, proceeds from disposals of property, plant and equipment as well as changes in pledged bank deposits. The Group recorded a net cash outflow in investing activities of approximately HK$6.4 million for the six months ended 30 September 2008 as compared with a net cash outflow of approximately HK$15.7 million for the six months ended 30 September 2007. Such decrease in net cash outflow from investing activities for the six months ended 30 September 2008 was mainly due to the Group reduced its purchase of property, plant and equipment to approximately HK$5.1 million and increase in pledged bank deposits of approximately HK$1.5 million offset by the proceeds from disposals of property, plant and equipment of approximately HK$0.2 million.

Cash outflows from financing activities mainly represented net repayment of trust receipts loans, repayment of bank loans, dividends paid, interest paid and additional bank loans raised. Cash outflows from financing activities were approximately HK$21.0 million for the six months ended 30 September 2008. During the period, the Group paid net trust receipts loans of approximately HK$10.8 million, payment of bank loans of approximately HK$2.9 million, payment of dividends declared for the financial year 31 March 2008 of approximately HK$40.0 million and interest paid of approximately HK$2.3 million. Additional bank loans of approximately HK$35.0 million were raised in August 2008 for general working capital purpose. The Group repaid portion of the trust receipt loans and bank loans and raised new bank loans to facilitate the Group's operation and ensure adequate working capital while not deteriorating the Group's overall debt level or increase the burden of finance costs.

Year ended 31 March 2008 compared to year ended 31 March 2007

For the year ended 31 March 2008, the Group had a net cash inflow from operating activities of approximately HK$61.0 million compared to approximately HK$112.9 million in 2007, representing a decrease of net cash inflow from operating activities of approximately HK$51.9 million. Despite the increase in profit before tax from approximately HK$52.5 million for the year ended 31 March 2007 to approximately HK$67.2 million for the year ended 31 March 2008, the effect of increase in profit before tax was offset by increase in inventories, trade receivables and others and increase in income taxes paid for the year ended 31 March 2008. Significant increase in inventory was

mainly because the Group procured more raw paper during the last few months of the year ended 31 March 2008 to avoid being affected by the increasing raw paper price. Increase in trade receivables balances as at 31 March 2008 was mainly because some large orders were placed during the end of financial year 2008 which were not fall due as at 31 March 2008. Increase in income taxes paid of approximately HK$9.9 million from approximately HK$1.4 million for the year ended 31 March 2007 to approximately HK$11.3 million in 2008 was mainly due to the additional enterprise income tax paid to the relevant PRC tax bureau for the additional taxable profits mainly arising from the Group's transfer pricing arrangement of approximately HK$6.8 million (equivalent to RMB6.5 million (as at the date of payment)) covering years ended 31 December 2001 to 2006 in September 2007, details of which are set out under the sub-section headed "Taxation" in this section. In addition, due to an increase in the assessable profits resulting from better performance for the year ended 31 March 2008, an increase in effective tax rate resulting from the discontinued entitlement of the reduced enterprise income tax of 10% as Come Sure Shenzhen was not qualified as an Export-Oriented Enterprise for the year ended 31 December 2007 and the implementation of new tax law in the PRC effective on 1 January 2008, an significant increase in income tax paid was recorded by Come Sure Shenzhen.

Cash outflows from investing activities mainly represented payment for purchases of property, plant and equipment, prepaid land lease payments, proceed from disposals of subsidiaries as well as changes in pledged bank deposits. The Group recorded a net cash outflow in investing activities of approximately HK$20.2 million for the year ended 31 March 2008, compared to a net cash outflow of approximately HK$32.8 million for the year ended 31 March 2007. Such decrease in cash outflow of investing activities was mainly due to decrease in purchases of property, plant and equipment of approximately HK$4.5 million for the year ended 31 March 2008, compared to that in 2007. Also, there was no addition of prepaid land lease payments for the year ended 31 March 2008, but approximately HK$3.5 million for the year ended 31 March 2007. Drop of increase in pledged bank deposits of approximately HK$4.8 million was recorded for the year ended 31 March 2008 compared to that in 2007.

Cash outflows from financing activities mainly represented raise/repayment of bank loans, advance from/repayment to directors, advance from/repayment to related companies, dividends paid and interest paid. The Group recorded a net cash outflow in financing activities of approximately HK$38.9 million for the year ended 31 March 2008 as compared to approximately HK$92.0 million for the year ended 31 March 2007. Decrease in outflow from financing activities for the year ended 31 March 2008 was mainly due to decrease in net repayment of bank loans of approximately HK$28.8 million, decrease in net repayment to directors of approximately HK$13.3 million and decrease in repayment of trust receipts loans of approximately HK$34.2 million.

Year ended 31 March 2007 compared to year ended 31 March 2006

For the year ended 31 March 2007 the Group had a net cash inflow from operating activities of approximately HK$112.9 million compared to approximately HK$51.1 million in 2006, representing an increase of net cash inflow from operating activities of approximately HK$61.8 million. Profit before tax for the year ended 31 March 2007 was approximately HK$52.5 million, compared to profit before tax for the year ended 31 March

2006 of approximately HK$47.7 million. In addition to increase in profit before tax and decrease in inventories contributed to the increased cash inflow from operating activities. Decrease in inventories was mainly due to the Group's shift of procurement from overseas suppliers to suppliers in the PRC which required a shorter delivery time, thus the Group did not have to pile up inventories while enjoying stable supply of raw paper from the PRC suppliers.

For the year ended 31 March 2007, the Group recorded cash outflows from investing activities of approximately HK$32.8 million compared to approximately HK$23.0 million in 2006. Increase in cash outflows from investing activities was mainly due to increase in purchases of property, plant and equipment of approximately HK$11.8 million. During the year ended 31 March 2007, two advanced machinery were purchased by the Group.

For the year ended 31 March 2007, the Group recorded cash outflow from financing activities of approximately HK$92.0 million compared to approximately HK$23.6 million in 2006. Increase in cash outflows from financing activities was mainly due to increase in repayment of trust receipts loans, bank loans and interest paid offset by increase in cash inflows from issuing shares to Rich Growth for approximately HK$23.3 million.

Net current assets

As at 31 March 2006, 31 March 2007, 31 March 2008 and 30 September 2008, the Group had current assets of approximately HK$306.9 million, HK$278.8 million, HK$343.9 million and HK$359.2 million respectively. The Group financed its working capital needs principally from cash provided by operations and cash on hand, while raising the remaining primarily through short-term and long term bank borrowings. As at 31 March 2006, 31 March 2007, 31 March 2008 and 30 September 2008, the Group had current liabilities of approximately HK$280.1 million, HK$192.5 million, HK$228.6 million and HK$193.8 million respectively.

The Group had net current assets of approximately HK$26.8 million, HK$86.4 million, HK$115.2 million and HK$165.4 million as at 31 March 2006, 31 March 2007, 31 March 2008 and 30 September 2008 respectively. The increase in net current assets as at 31 March 2007 as compared to that as at 31 March 2006, was mainly due to repayment of short-term bank borrowings. The increase in net current assets as at 31 March 2008 as compared to 31 March 2007, was mainly due to further decrease in short-term bank borrowings and decrease in current tax liabilities. Continuing increase in net current assets as at 30 September 2008 as compared to that as at 31 March 2008 was mainly due to increase in trade and other receivables and decrease in trade and other payables offset by increase in short-term bank borrowings.

As at 31 December 2008, the Group had current assets mainly comprising inventories, prepaid land lease payment, trade and other receivables, pledged bank deposits and bank and cash balances of approximately HK$57.4 million, HK$0.2 million, HK$146.2 million, HK$39.6 million and HK$61.0 million respectively and current liabilities mainly comprising trade and other payables, short-term bank borrowings, current tax liabilities and current portion of long term borrowings of approximately HK$45.2 million, HK$76.9 million, HK$3.1 million and HK$5.2 million respectively. The Group recorded net current assets of approximately HK$174.0 million.

Financial resources

Prior to the completion of the Share Offer, the operations of the Group were financed principally by shareholders' equity and internally generated funds and bank borrowings. Upon completion of the Share Offer, the Group expects that its operations will be financed mainly by the net proceeds from the Share Offer and internally generated funds.

Directors' opinion on sufficiency of working capital

Taking into account the financial resources available to the Group, including internally generated funds, and the estimated net proceeds from the Share Offer, the Directors of the Company are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this prospectus.

Funding and treasury policies

The Group negotiates with banks to obtain banking facilities according to the Group's development plans. All the banking facility letters and loan agreements should be approved and signed by the Directors. For repayment arrangements, the accounting department will keep track of the status to ensure that the bank borrowings can be repaid on time. The Group will generally deposit the cash surplus into the bank as general working capital. As at the Latest Practicable Date, the Group does not have any significant funding and treasury policy in respect of investment of its cash surplus.

INDEBTEDNESS

Borrowings

The Group's borrowings as at the dates indicated are set out in the table below.

	As at 31 March			As at 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Long term borrowings				
Bank loans	6,046	10,925	13,975	11,028
Finance lease payables	3,846	1,013	–	–
	9,892	11,938	13,975	11,028
Short-term bank borrowings				
Bank overdrafts	297	–	509	–
Trust receipts loans	82,240	45,266	42,464	31,666
Short-term bank loans	102,596	55,500	39,000	74,000
	185,133	100,766	81,973	105,666
Total borrowings	195,025	112,704	95,948	116,694

As at 31 March 2006, 2007, 2008 and 30 September 2008, the carrying amounts of short-term borrowings were denominated in HK$, RMB and US$. The bank loans were arranged at floating rates. As at 31 March 2006, 2007, 2008 and 30 September 2008, the average interest rate for short-term bank borrowings were 6.03% per annum, 6.01% per annum, 3.47% per annum and 5.67% per annum respectively and the average interest rate for long-term bank loans were 6.25% per annum, 5.65% per annum, 3.37% per annum and 5.70% per annum respectively.

The Group generally uses the payments received from customers from time to time to partly settle the Group's borrowings. Fluctuation of the Group's borrowing levels as at 31 March 2006, 2007, 2008 and 30 September 2008 was therefore caused by the amount of payments the Group received from its customers, which the Group intended to use for the bank loan payments by the end of each financial year.

As at 30 September 2008, the carrying amounts of bank borrowings are denominated in the following currencies.

	HK$	**RMB**	**US$**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Long term borrowings				
Bank loans	11,028	–	–	11,028
Finance lease payable	–	–	–	–
	11,028	–	–	11,028
Short-term bank borrowings				
Bank overdrafts	–	–	–	–
Trust receipts loans	29,228	–	2,438	31,666
Short-term bank loans	74,000	–	–	74,000
	103,228	–	2,438	105,666
Total borrowings	114,256	–	2,438	116,694

The maturity profile of the Group's total bank borrowings (excluding finance lease payables) is set out in the table below.

	As at 31 March			As at 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	188,172	104,800	87,512	110,851
In the second year	1,534	3,413	5,185	4,074
In the third to fifth year, inclusive	1,473	3,478	3,251	1,769
	191,179	111,691	95,948	116,694

As at 31 March 2006, 2007, 2008 and 30 September 2008, certain bank deposits, buildings and prepaid land lease payments amounting to HK$28.1 million, HK$36.1 million, HK$39.4 million and HK$40.9 million respectively were pledged to banks to secure the general banking facilities granted to the Group.

As at 31 December 2008, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the total amount of banking facilities was approximately HK$506.2 million (of which approximately HK$86.6 million was utilised).

The following table sets forth the Group's bank borrowings and maturity profile as at 31 December 2008:

	As at 31 December 2008
	HK$'000
Bank loans	39,700
Trust receipt loans	46,900
	86,600

The bank borrowings are repayable as follow:

On demand or within one year	82,100
In the second year	3,300
In the third to fifth year, inclusive	1,200
	86,600

The bank borrowings as at 31 December 2008 bear interest rates ranging from 1.79% to 7.25% per annum.

Securities and guarantees

As at 31 December 2008, all of the Group's bank borrowings were secured by:

(a) pledged bank deposits of the Group of approximately HK$39.6 million;

(b) personal guarantees provided by Mr. Chong and Mr. Chong Wa Pan;

(c) certain properties owned by Mr. Chong, Wholly Rise Limited and Come Sure Trading Limited (related companies in which Mr. Chong and Mr. Chong Wa Pan have beneficial interests);

(d) corporate guarantee provided by Come Sure Trading Company Limited; and

(e) buildings and prepaid land lease payments of the Group of approximately HK$1.5 million situated in Hong Kong.

Release of legal charges and guarantees

The Group has received in principle written consents from relevant banks that all securities and guarantees provided by the above connected persons of the Company (as defined in the Listing Rules) in relation to banking facilities as mentioned in (b) to (d) above will be released upon the Listing and will be replaced by corporate guarantees and/or other collaterals provided by the Company and/or other members of the Group.

Contingent liabilities

As at 31 December 2008, the Group had no significant contingent liabilities.

Commitments

As at 31 December 2008, the Group had capital commitments for property, plant and equipment of approximately HK$0.4 million.

As at 31 December 2008, the Group had operating lease commitments of approximately HK$51.2 million.

Disclaimers

Save as disclosed above and apart from normal trade payables and bank borrowings, the Group did not have any outstanding loan capital issued or agreed to be issued loans, bank overdrafts, charges or debentures, mortgages, loans, or other similar indebtedness or any finance lease commitments, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or any guarantees or other material contingent liabilities outstanding as at the close of business on 30 September 2008.

The Directors confirm that there has been no material change in the Group's indebtedness, commitments and contingent liabilities since 30 September 2008.

MARKET RISKS

The Group is exposed to various types of market risk in the normal course of business, including the following:

Interest rate risk

The Group's borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. As at 31 March 2006, 31 March 2007, 31 March 2008 and 30 September 2008, the Group has both short-term and long term bank borrowings. However, as most of the Group's borrowings are short-term and due within one year, the Group has to obtain new borrowings each year. To the extent interest rates rise, the cost of refinancing will increase. The interest rates and terms of repayment of the Group's borrowings are disclosed in note 25 and note 27 in the Accountants' Report of the Group in Appendix I to this prospectus.

Historically, the Group has not used any interest rate swaps to hedge exposure to interest rate risk.

Foreign currency 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 respective group entities, such as HK$, US$ and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

Inflation risk

Although in recent year, the PRC has not experienced significant inflation, there are signs that inflation in the PRC is increasing. However, inflation has not had a significant effect on our business during the past three years. According to the National Bureau of Statistics of China, China's overall national inflation rate, as represented by the general A consumer price index, was approximately 5.9% in 2008, 4.7% in 2007 and 1.5% in 2006. The Directors consider that, as at the Latest Practicable Date, the Group has not been materially affected by any inflation or deflation.

DIVIDENDS AND DIVIDEND POLICY

For the three years ended 31 March 2008 and the six months ended 30 September 2008, dividends of approximately HK$60 million, HK$30 million, HK$40 million and nil respectively were declared. All these dividends were made out of the internal resources of the Group.

It is the present intention of the Directors that the Company will declare interim and/or final dividends equivalent to approximately 30% to 40% in total of the audited consolidated profit for the year of the Group each year for the two years ending 31 March 2010, whilst the amount of dividends to be declared will be subject to, the full discretion of the Directors, taking into consideration, among others, the amount of earnings, financial position, cash requirements and availability of the Group as well as the provisions of applicable laws and regulations and other relevant factors. Potential investors should note that historical dividend distributions are not indicative of the future dividend distribution policy of the Company.

DISTRIBUTABLE RESERVES

The Company was incorporated in the Cayman Islands on 10 March 2006. The Company had a total of approximately HK$198.8 million of reserve available for distribution to the Shareholders as at 30 September 2008.

PROPERTY INTERESTS

Grant Sherman Appraisal Limited, an independent property valuer, has valued the Group's property interests (excluding the Huidong Land) as of 31 December 2008 at approximately HK$32.9 million. The Huidong Land, which was acquired through the acquisition of the entire issued share capital of Century Shiny on 2 February 2009, has been valued at approximately HK$24.5 million as of 31 December 2008. The texts of its letter, summary of valuation and the valuation certificates are set out in Appendix IV to this prospectus.

A reconciliation of the net book value of the relevant property interests including land and buildings, investment properties and land use rights as of 30 September 2008 to their fair value as of 31 December 2008 as stated in Appendix IV to this prospectus is as follows:

	HK$'000
Net book value of the property interests including land and buildings, investment properties and land use rights as of 30 September 2008 included in the Accountants' Report of the Group set out in Appendix I to this prospectus	15,163
Less: Amortisation for the 3 months ended 31 December 2008 (unaudited)	39
Depreciation for the 3 months ended 31 December 2008 (unaudited)	117
Net book value as of 31 December 2008 (unaudited)	15,007
Fair value as of 31 December 2008	32,920
Net valuation surplus	17,913

The Group holds a property comprising two units in Chai Wan in Hong Kong with a total gross floor area of approximately 300 sq.m. which is occupied by the Group for non-domestic use. The Group also holds two car parking spaces in Peacock Road, Hong Kong, one of which is vacant and the other one is leased to an Independent Third Party respectively.

The Group holds a property comprising an industrial complex erected on a parcel of land with an area of approximately 26,678.7 sq.m. in Shenzhen, Guangdong Province, the PRC with a total gross floor area of approximately 14,256.1 sq.m. which is occupied by the Group for production, warehouse, office and staff quarters uses.

Details relating to the Group's property interests are set out in Appendix IV to this prospectus.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of Chapter 4 of the Listing Rules is set out below to illustrate the effect of the Share Offer on the audited net tangible assets of the Group as if the Share Offer had taken place on 30 September 2008.

The statement of unaudited pro forma adjusted net tangible assets of the Group has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Group following the Share Offer.

The following statement of unaudited pro forma adjusted net tangible assets of the Group is based on the audited net assets of the Group as at 30 September 2008 which is based on the historical audited net tangible assets of the Group as at 30 September 2008 as shown in the Accountants' Report of the Group, the text of which is set out in Appendix I to this prospectus, and adjusted as follows:

	Audited net tangible assets as at 30 September 2008 *HK$'000* *(Note 1)*	Estimated net proceeds from the Share Offer *HK$'000* *(Note 2)*	Unaudited pro forma adjusted net tangible assets *HK$'000* *(Note 3, 4)*	Unaudited pro forma adjusted net tangible assets per Share *HK$* *(Note 5)*
Based on the minimum indicative Offer Price of HK$1.01 per Share	288,819	50,433	339,252	1.21
Based on the maximum indicative Offer Price of HK$1.31 per Share	288,819	76,908	359,727	1.28

Notes:

1. The audited net tangible assets of the Group as at 30 September 2008 is arrived at after deducting the club membership of HK$366,000 from the audited net assets of the Group as at 30 September 2008 as shown in the Accountants' Report of the Group set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Share Offer are based on the Offer Price of HK$1.01 per Share and HK$1.31 per Share, after deduction of underwriting fees and estimated expenses payable by the Company in connection with the Share Offer.

3. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2008.

4. Details of valuation of the Group's property interests as at 31 December 2008 are set out in Appendix IV to this prospectus. The above adjustments do not take into account the surplus arising from the revaluation of the Group's property interests amounting to HK$17.8 million. The revaluation surplus will not be incorporated in the Group's financial statements for the year ending 31 March 2009. If the valuation surplus was recorded in the Group's financial statements for the year ending 31 March 2009, an additional depreciation and amortisation expense of approximately HK$0.3 million would be incurred.

5. The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to above and on the basis that 280,000,000 Shares, being the number of Shares expected to be in issue immediately after completion of the Share Offer and the Capitalisation Issue as mentioned in the section headed "Share Capital" of this prospectus, are in issue.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading positions or prospects of the Group since 30 September 2008, the date to which the latest audited financial statements of the Group were prepared as set out in Appendix I to this prospectus.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

The Directors have confirmed that save as disclosed, as at the Latest Practicable Date, there were no circumstances which would give rise to a disclosure obligation pursuant to Rules 13.13 to 13.19 of the Listing Rules.

UNDERWRITERS

Placing Underwriters

Kingsway Financial Services Group Limited
CAF Securities Company Limited
China Everbright Securities (HK) Limited
China Merchants Securities (HK) Co., Ltd.
First Shanghai Securities Limited
GF Securities (Hong Kong) Brokerage Limited
Goldin Equities Limited
VC Brokerage Limited
Yee On Securities Limited

Public Offer Underwriters

Kingsway Financial Services Group Limited
CAF Securities Company Limited
China Everbright Securities (HK) Limited
China Merchants Securities (HK) Co., Ltd.
First Shanghai Securities Limited
GF Securities (Hong Kong) Brokerage Limited
Goldin Equities Limited
Mizuho Securities Asia Limited
United Simsen Securities Ltd
VC Brokerage Limited
Yee On Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, the Company is offering the Public Offer Shares for subscription by way of Public Offer on and subject to the terms and conditions of this prospectus and the Application Forms relating hereto.

Subject to the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer (including Shares which may fall to be allotted and issued pursuant to the Capitalisation Issue and the exercise of any option that may be granted under the Share Option Scheme) on or before 25 February 2009 and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to procure subscribers to subscribe or failing which itself to subscribe for, subject to the terms and conditions of this prospectus and the Application Forms relating thereto, the Public Offer Shares being offered and which are not taken up under the Public Offer.

Grounds for termination

Kingsway Financial (for itself and on behalf of the Public Offer Underwriters) shall have the right to terminate their obligations under the Public Offer Underwriting Agreement in its absolute discretion, by giving written notice to the Company at any time prior to 8:00 a.m. on the Listing Date (the "Termination Time") if there comes to the notice of Kingsway Financial or any of the Public Offer Underwriters:

(a) any matter or event showing any of the representations, warranties or undertakings contained in the Public Offer Underwriting Agreement to be untrue, inaccurate or misleading in any material respect when given or repeated or there has been a breach of any of the warranties or any other provisions of the Public Offer Underwriting Agreement in any material respect and which is considered, in the sole opinion of Kingsway Financial (on behalf of the Public Offer Underwriters), to be material in the context of the Public Offer; or

(b) any statement contained in this prospectus and/or the Application Forms and/or other supporting verification documents of the Group relating to the Public Offer has become or been discovered to be untrue, incorrect or misleading in any material respect; or

(c) any event, series of events, matter or circumstances occurs or arises on or after the date of the Public Offer Underwriting Agreement and before the Termination Time, being events, matters or circumstances which, if it had occurred before the date of the Public Offer Underwriting Agreement, would have rendered any of the warranties in the Public Offer Underwriting Agreement untrue, incorrect or misleading in any material respect and which is considered, in the sole opinion of Kingsway Financial (on behalf of the Public Offer Underwriters), to be material in the context of the Public Offer; or

(d) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the sole opinion of Kingsway Financial (on behalf of the Public Offer Underwriters), a material omission in the context of the Public Offer; or

(e) any event, act or omission which gives or is likely to give rise to any material liability of the Group and any of the Controlling Shareholders and the executive Directors arising out of the breach of any representations, warranties or undertakings contained in the Public Offer Underwriting Agreement; or

(f) any material breach by any party to the Public Offer Underwriting Agreement other than the Public Offer Underwriters of any provision of the Public Offer Underwriting Agreement and which is considered, in the sole opinion of Kingsway Financial (on behalf of the Public Offer Underwriters), to be material in the context of the Public Offer; or

(g) any material adverse change in the business or in the financial or trading position or prospects of the Group taken as a whole or any of its top five customers, suppliers or partners which in the sole opinion by Kingsway Financial (on behalf of the Public Offer Underwriters), to be material in the context of the Public Offer.

Kingsway Financial (on behalf of the Public Offer Underwriters) shall in addition have the right (but not the obligation) by giving notice in writing to the Company to terminate the Public Offer Underwriting Agreement at any time if prior to the Termination Time there shall have developed, occurred, existed, or come into effect any event or series of events, matters or circumstances whether occurring or continuing before, on and/or after the date of the Public Offer Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:

(a) any new law or regulation in Hong Kong, the Cayman Islands, the British Virgin Islands, Macau or the PRC; or

(b) any change in, or any event or series of events or development resulting in any material adverse change in the local, national, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects in Hong Kong, the Cayman Islands, the British Virgin Islands, Macau or the PRC; or

(c) any material adverse change in the conditions of Hong Kong, Macau, the US, the United Kingdom, the PRC or international equity securities or other financial markets; or

(d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances; or

(e) any change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the Cayman Islands, the British Virgin Islands, Macau or the PRC or any other jurisdiction relevant to the Company and/or any of its subsidiaries; or

(f) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by ASEAN countries, the US or by the European Union (or any member thereof) on Hong Kong, Macau or the PRC; or

(g) a general moratorium on commercial banking activities in Macau, the PRC or Hong Kong declared by the relevant authorities; or

(h) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

(i) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US; or

(j) a material change in the exchange rate between the US dollar, the Hong Kong dollar and the RMB; or

(k) any official investigation by governmental department or litigation or claim being threatened or instituted against any Director of the Company or any of its subsidiaries; or

(l) any other change which is of the same kind with any of the foregoing,

which, in the sole opinion of Kingsway Financial (on behalf of the Public Offer Underwriters):

(i) is or shall be or is likely to be adverse in any material respect, to the business, financial or other trading condition or prospects of the Company and its subsidiaries taken as a whole; or

(ii) has or shall have or is likely to have a material adverse effect on the success of the Share Offer as a whole or the level of the Public Offer Shares being applied for or accepted; or

(iii) makes it impracticable, inadvisable or inexpedient to proceed with the Public Offer as a whole.

Undertakings

Each of Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam and Perfect Group has undertaken to the Company, the Sponsor, the Global Co-ordinator and the Public Offer Underwriters that:

(a) he/it will comply with all applicable restrictions under the Listing Rules on the disposal by him/it or by the registered holder(s) of any Shares or other securities of the Company in respect of which he/it is shown in this prospectus to be interested therein;

(b) neither he/it nor any of his/its associates nor any companies controlled by him/it nor any nominee or trustee holding in trust for him/it has any present intention of disposing of any Shares or other securities of the Company in respect of which he/it is shown in this prospectus to be interested therein;

(c) he/it shall not, and shall procure that none of his or its associates and the companies controlled by him or it or any nominee or trustee holding in trust for him or it shall sell, transfer or otherwise dispose of (including without limitation the creation of any option over but save pursuant to a pledge or charge as security for a bona fide commercial loan and after having given notice of such pledge or charge to the Company, the Sponsor and Kingsway Financial) or

create any rights in respect of any interest in any Shares or securities of the Company owned or held by him or it, his or its associates or the relevant company, nominee or trustee (including any interest in any shares in any company controlled by him or it which is directly or indirectly the beneficial owner of any of the Shares or securities of the Company) immediately following the completion of the Share Offer and the Capitalisation Issue (i) within six months from the Listing Date; and (ii) within the period commencing on the date falling six months from the Listing Date and ending on the date falling six months thereafter, if immediately following such sale, transfer or disposal, Perfect Group will cease to be a Controlling Shareholder.

Each of Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam and Perfect Group has undertaken to the Company, the Sponsor, the Global Co-ordinator and the Public Offer Underwriters that, within the period of 12 months from the Listing Date, each of them will:

(i) when he/it pledges or charges any Shares beneficially owned by him/it, whether directly or indirectly, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) when he/it receives indication, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares shall be sold, transferred or disposed of, immediately inform the Company of such indication.

The Company has undertaken to and covenanted with the Sponsor and Kingsway Financial and the Stock Exchange that the Company shall forthwith inform Kingsway Financial and the Stock Exchange in writing immediately after it has been informed of the matters referred to above and the Company shall disclose such matters by way of an announcement and shall comply with all requirements of the Stock Exchange.

Each of Mr. ZHANG Chang Fei and Mr. LEE Man Chun Raymond has undertaken to the Company, the Sponsor and Kingsway Financial (for itself and on behalf of the Public Offer Underwriters) that without prior written consent from the Company and Kingsway Financial (for itself and on behalf of the Public Offer Underwriters), he or he shall procure his associates or any company controlled by him or any nominee or trustee holding in trust for him shall not sell, transfer or otherwise dispose of (including without limitation the creation of any option over but save pursuant to a pledge or charge as security for a bona fide commercial loan and after having given notice of each pledge or charge to Kingsway Financial (for itself and on behalf of the Public Offer Underwriters)) or create any rights in respect of any interest in any Shares or securities of the Company owned by him or the relevant company, nominee or trustee (including any interest in any shares in any company controlled by him which is directly or indirectly the beneficial owner of any of the Shares or securities of the Company) immediately upon the completion of the Share Offer and the Capitalisation Issue within six months from the Listing Date.

Each of the Company, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam and Perfect Group and the executive Directors has undertaken to the Sponsor and the Public Offer Underwriters to procure that, without the prior written

consent of Kingsway Financial (on behalf of the Public Offer Underwriters), and unless in compliance with the requirements of the Listing Rules, the Company and its subsidiaries will not, (i) within six months from the Listing Date, issue or agree to issue any shares or other securities of the Company and its subsidiaries (including warrants or other convertible securities) or grant or agree to grant any options or warrants or other rights carrying any right to subscribe for, whether directly or indirectly, conditionally or unconditionally, any shares or other securities (including warrants or other convertible securities) of the Company and its subsidiaries or announce any intention to do so except in all cases, pursuant to the Share Offer, the Capitalisation Issue, the grant of any option under the Share Option Scheme and any Shares which may fall to be issued upon the exercise of the options which may be granted pursuant to the Share Option Scheme or otherwise than by way of scrip dividend schemes or similar arrangements in accordance with the Articles and, (ii) save as aforesaid, within the period commencing on the date immediately following the date falling six months after the Listing Date and ending on the date falling six months thereafter, shall not issue any shares in the Company and its subsidiaries or grant or agree to grant any options, warrants or other rights carrying any right to subscribe for or otherwise acquire any securities of the Company and its subsidiaries, if completion of which shall result in Perfect Group ceasing to be a Controlling Shareholder.

The Company has undertaken with the Lead Manager and the Public Offer Underwriters, and each of Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam and Perfect Group and the executive Directors undertakes and covenants with the Sponsor and the Public Offer Underwriters to procure that save with the prior written consent of Kingsway Financial (on behalf of the Public Offer Underwriters) (such consent not to be unreasonably withheld), no member of the Group shall within the period of six months from the Listing Date purchase any securities of the Company.

Placing Underwriting Agreement

In connection with the Placing, it is expected that, among others, the Company and the Controlling Shareholder will enter into the Placing Underwriting Agreement with the Placing Underwriters. It is expected that upon the entering into the Placing Underwriting Agreement, the Placing will be fully underwritten.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally agree to subscribe or procure purchasers for, or failing which, to purchase, the Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. It is expected that pursuant to the Placing Underwriting Agreement, each of Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam and Perfect Group will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the sub-section headed “Undertakings” above.

Commission and expenses

Based on an Offer Price of HK$1.16 per Offer Share (being the mid-point of the indicated Offer Price range of between HK$1.01 per Offer Share and HK$1.31 per Offer Share), the aggregate underwriting commission, the Stock Exchange listing fees, the Stock Exchange trading fee, sponsorship fee, legal and other professional fees, printing and other expenses related to the Share Offer are currently estimated to be approximately HK$20 million in aggregate.

SPONSOR'S, GLOBAL CO-ORDINATOR'S AND THE PUBLIC OFFER UNDERWRITERS' INTERESTS IN THE COMPANY

The Sponsor will receive a financial advisory and documentation fee. The Global Co-ordinator, the Lead Manager and the Public Offer Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price payable for the Offer Shares. Particulars of these commission and expenses are set forth under the paragraph "Commission and expenses" above.

Kingsway Capital will be appointed as the compliance adviser of the Company and will receive normal professional fees in connection with the advisory services to be provided to the Company for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

Save as disclosed above, none of the Sponsor, the Global Co-ordinator, the Lead Manager and the Public Offer Underwriters is interested legally or beneficially in any shares of the Company or any members of the Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any members of the Group or any interest in the Share Offer at the Latest Practicable Date.

DETERMINING THE OFFER PRICE

The Offer Price is expected to be determined by the Price Determination Agreement to be made between the Company and Kingsway Financial (for itself and on behalf of the Underwriters) on or about Friday, 20 February 2009, and in any event, not later than Saturday, 21 February 2009.

Prospective investors should be aware that the Offer Price to be determined on or around the Price Determination Time may be, but is not expected to be, lower than the indicative Offer Price range as stated in this prospectus. The Offer Price will not be more than HK$1.31 per Offer Share and is expected to be not less than HK$1.01 per Offer Share. The Offer Price will fall within the Offer Price range as stated in this prospectus unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Public Offer.

Kingsway Financial (for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during a book-building process, and with the consent of the Company, reduce the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Public Offer, cause there to be published in The Standard (in English) and the Economic Journals (in Chinese) and on the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk of the reduction in the indicative Offer Price range. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon with the Company, will be fixed within such revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Share Offer statistics as currently set out in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. **If applications for Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Public Offer, then even if the Offer Price range is so reduced such applications cannot be subsequently withdrawn.** In the absence of any notice being published in The Standard (in English) and the Economic Journals (in Chinese) and on the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk of a reduction in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Public Offer, the Offer Price, if agreed upon with the Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

The Offer Price is expected to be determined by the Price Determination Agreement to be made between the Company and Kingsway Financial (for itself and on behalf of the Underwriters) on or around Friday, 20 February, 2009, and in any event, not later than Saturday, 21 February 2009. If, for any reason, the Offer Price is not agreed between Kingsway Financial (for itself and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse.

The Offer Shares will be allocated after the application lists close. No Offer Shares will be allotted after 30 days from the last day for lodging application under the Public Offer. Announcement of the Offer Price, together with the indication of the level of interests in the Placing and the results of applications under the Public Offer and basis of allocation of the Public Offer Shares with successful applicants' identification numbers, where appropriate, is expected to be published on Wednesday, 25 February 2009.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK$1.31 per Offer Share and is expected to be not less than HK$1.01 per Offer Share. Applicants under the Public Offer should pay, on application, the maximum Offer Price of HK$1.31 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee, and 0.004% SFC transaction levy, amounting to a total of HK$2,646.43 per board lot of 2,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK$1.31 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest. Further details are set out in the section headed "How to apply for Public Offer Shares" in this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of your application for the Offer Shares is conditional upon:

(a) Listing

the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer, the Capitalisation Issue and the exercise of any options that may be granted under the Share Option Scheme (and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange); and

(b) Underwriting Agreements

the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (which requires, amongst other things, that the Offer Price be agreed by no later than the Price Determination Time and the Price Determination Agreement be entered into), and not being terminated in accordance with its terms or otherwise by giving notice prior to 8:00 a.m. on Thursday, 26 February 2009. Details of the Underwriting Agreements and its conditions and grounds for termination are set out in the section headed "Underwriting" in this prospectus.

If, for any reason, the Price Determination Agreement is not entered into, the Share Offer will not proceed.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with their respective terms.

If any of the above conditions is not fulfilled (or, where applicable, waived by Kingsway Financial (for itself and on behalf of the Underwriters)) on or before 8:00 a.m., Thursday, 26 February 2009, the Share Offer will lapse and notice of the lapse of the Share Offer will be published by the Company in The Standard (in English) and the Economic Journals (in Chinese), and the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk on the day immediately following such lapse. In such event, all application monies received will be returned, without interest. The terms on which money will be returned are set out in the section headed "Refund of your application money" on the Application Forms relating to the Public Offer.

In the meantime, your application money will be held in one or more separate bank account(s) with the receiving banker or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

STRUCTURE OF THE SHARE OFFER

The Share Offer comprises the Placing and the Public Offer. A total of 70,000,000 Shares will initially be made available under the Share Offer, of which 63,000,000 Shares, representing 90% of the total number of Shares initially being offered under the Share Offer, will be offered for subscription under the Placing. The remaining 7,000,000 Shares, representing 10% of the total number of Shares initially being offered under the Share Offer, will be offered to members of the public in Hong Kong for subscription under the Public Offer. The number of Shares offered for subscription under the Placing and the Public Offer will be subject to re-allocation.

PREFERENCE TO FULL-TIME EMPLOYEES

Up to a maximum of 700,000 Public Offer Shares ("**Employee Shares**"), representing 10% of the total number of Shares initially available under the Public Offer or 1% of the Offer Shares, are available for subscription by the Eligible Employees on a preferential basis, if their applications for the Public Offer Shares are made on the **PINK** Application Forms.

Any undersubscribed Shares under the **PINK** Application Forms shall be available for subscription by the public under the Public Offer.

Allocation of these Public Offer Shares will be based on the written guidelines consistent with the allocation guidelines contained in Practice Note 20 to the Listing Rules and distributed to the Eligible Employees. The allocation of the Employee Shares will be allocated on a fair and equitable basis and will not be based on seniority or length of service of the Eligible Employees who have applied for the Employee Shares under the **PINK** Application Forms. All applications made on **PINK** Application Forms for more than the maximum number of Shares available for subscription by Eligible Employees will be rejected.

OFFER MECHANISM – BASIS OF ALLOCATION OF THE OFFER SHARES

The Placing

The Company is initially offering 63,000,000 Shares (subject to re-allocation) at the Offer Price, representing 90% of the total number of Shares being initially offered under the Share Offer, for subscription by way of Placing. The Placing is managed by Kingsway Financial and is expected to be fully underwritten by the Placing Underwriters.

Pursuant to the Placing, it is expected that the Placing Underwriters or placing agents nominated by any of them will, on behalf of the Company, conditionally place the Placing Shares at the Offer Price plus 1% brokerage, 0.004% SFC transaction levy, and 0.005% Stock Exchange trading fee with selected professional, institutional and other investors anticipated to have a sizeable demand for the Placing Shares under the Placing. Professional and institutional investors generally include brokers, dealers, companies and fund managers, whose ordinary businesses involve dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Placing Shares are unlikely to be allocated to individual retail investors, who are expected to subscribe for the Public Offer Shares under the Public Offer and apply through banks and other financial institutions.

The Placing is subject to similar conditions as stated in the paragraph headed "Conditions of the Share Offer" above. The total number of Placing Shares under the Placing may change as a result of the clawback arrangement referred to in the paragraph headed "Re-allocation of Offer Shares between the Placing and the Public Offer" below and any re-allocation of unsubscribed Shares originally included in the Public Offer.

Allocation of the Placing Shares pursuant to the Placing will be based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to purchase further Shares, and/or hold or sell the Shares placed, after listing of the Shares on the Stock Exchange. Such allocation is generally intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid broad shareholder base to the benefit of the Company and the Shareholders taken as a whole. Investors to whom Placing Shares are offered are required to undertake not to apply for the Public Offer Shares under the Public Offer. The level of indication of interests in the Placing is expected to be published in The Standard (in English) and the Economic Journals (in Chinese), and the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk on Wednesday, 25 February 2009.

Professional and institutional investors may apply for the Offer Shares under the Public Offer or indicate an interest of the Offer Shares under the Placing. However, such investor will only receive the Offer Shares under either the Public Offer or the Placing, but not both.

The Public Offer

The Company is initially offering 7,000,000 Shares (subject to re-allocation) at the Offer Price, representing 10% of the total number of Shares being initially offered under the Share Offer, for subscription under the Public Offer. The Public Offer is fully underwritten by the Public Offer Underwriters. Applicants for the Public Offer Shares are required on application to pay the maximum Offer Price plus 1% brokerage, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee.

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of the Public Offer Shares validly applied for by each applicant. When there is over subscription under the Public Offer, allocation of the Public Offer Shares may involve balloting, which would mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares. The results of the Public Offer and basis of allocation of the Public Offer Shares are expected to be published on the website of the Company at www.comesure.com and the Stock Exchange at www.hkex.com.hk and the website of Tricor Investor Services Limited at www.tricor.com.hk/ipo/result on Wednesday, 25 February 2009.

Applications under the Public Offer from investors receiving the Placing Shares under the Placing will be identified and rejected and investors receiving the Public Offer Shares under the Public Offer will not be offered the Placing Shares under the Placing.

Applicants under the Public Offer will be required to give an undertaking and confirmation in the Application Forms submitted by them that they and any person(s) for whose benefit they are making the application will not receive any Placing Shares under the Placing, have not indicated and will not indicate an interest for any Placing Shares under the Placing, and their applications are liable to be rejected if the said undertaking and, or, confirmation is breached and, or, untrue, as the case may be. The Company and Kingsway Financial have full discretion to reject or accept any application, or to accept only part of any application.

The attention of applicants, including nominees who wish to submit separate applications on behalf of different beneficial owners, is drawn to the information regarding multiple applications contained in the section headed "How to apply for Public Offer Shares" in this prospectus. Multiple or suspected multiple applications and any application for more than 100% of the Public Offer Shares initially being offered for subscription pursuant to the Public Offer will be rejected at the discretion of Kingsway Financial.

RE-ALLOCATION OF OFFER SHARES BETWEEN THE PLACING AND THE PUBLIC OFFER

The allocation of Offer Shares between the Placing and the Public Offer is subject to re-allocation. If the number of Shares validly applied for in the Public Offer:

(a) represents 15 times or more but less than 50 times of the number of Shares initially available for subscription under the Public Offer, then 14,000,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 21,000,000 Shares will be available under the Public Offer (taking into account a maximum of 700,000 Public Offer Shares made available on a preferential basis to eligible full-time employees of the Group on **PINK** Application Forms), representing 30% of the Offer Shares initially available under the Share Offer;

(b) represents 50 times or more but less than 100 times of the number of Shares initially available for subscription under the Public Offer, then 21,000,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 28,000,000 Shares will be available under the Public Offer (taking into account a maximum of 700,000 Public Offer Shares made available on a preferential basis to eligible full-time employees of the Group on **PINK** Application Forms), representing 40% of the Offer Shares initially available under the Share Offer;

(c) represents 100 times or more of the number of Shares initially available for subscription under the Public Offer, then 28,000,000 Shares will be re-allocated to the Public Offer from the Placing, so that an aggregate of 35,000,000 Shares will be available under the Public Offer (taking into account a maximum of 700,000 Public Offer Shares made available on a preferential basis to eligible full-time employees of the Group on **PINK** Application Forms), representing 50% of the Offer Shares initially available under the Share Offer; and

(d) in each of the above cases, the number of Shares allocated to the Placing will be correspondingly reduced.

If the Public Offer is not fully subscribed, Kingsway Financial (for itself and on behalf of the Underwriters) has the authority to re-allocate all or any unsubscribed Public Offer Shares originally included in the Public Offer to the Placing, in such number as it deems appropriate provided that there is sufficient demand under the Placing to take up such unsubscribed Public Offer Shares. If the Placing is not fully subscribed, Kingsway Financial (for itself and on behalf of the Underwriters) has the authority to re-allocate all or any unsubscribed Placing Shares originally included in the Placing to the Public Offer, in such number as it deems appropriate provided that there is sufficient demand under the Public Offer to take up such unsubscribed Placing Shares. Details of any re-allocation of Shares between the Public Offer and the Placing will be disclosed in the results announcement, which is expected to be made on Wednesday, 25 February 2009.

METHOD OF APPLYING FOR THE PUBLIC OFFER SHARES

There are two ways to make an application for the Public Offer Shares. You may apply for the Public Offer shares by either (i) using a **WHITE** or **YELLOW** (or/and **PINK**) Application Form ; or (ii) by giving **electronic application instructions** to HKSCC to cause HKSCC Nominees to apply for the Public Offer Shares on your behalf. You and your joint applicants may not make more than one application (whether individually or jointly) by using **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC.

WHICH APPLICATION FORM TO USE

1. WHITE Application Forms

Use a **WHITE** Application Form if you want the Public Offer Shares to be allotted and issued in your own name.

2. YELLOW Application Forms

Use a **YELLOW** Application Form if you want the Public Offer Shares to be allotted and issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or your designated CCASS Participant stock account.

Instead of using a **YELLOW** Application Form, you may **electronically** instruct HKSCC via CCASS to cause HKSCC Nominees to apply for the Public Offer Shares on your behalf. Any Public Offer Shares allocated to you will be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to your CCASS Investor Participant stock account or your designated CCASS Participant stock account.

3. PINK Application Forms

Use a **PINK** Application Form if you are an Eligible Employee and you want the Public Offer Shares to be registered in your own name and want your application to be given preferential treatment. Up to 700,000 Shares under the Public Offer representing 10% of the total number of Shares initially available under the Public Offer, are available for subscription by Eligible Employees.

Joint applications are not permitted. You may not apply on behalf of other person(s) as a nominee.

WHERE TO COLLECT THE PROSPECTUS AND THE APPLICATION FORMS

1. You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 16 February 2009 until 12:00 noon on Thursday, 19 February 2009 from:

   Any of the following offices of the Public Offer Underwriters:

   - **Kingsway Financial Services Group Limited** at 5th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong;
   - **CAF Securities Company Limited** at 13th Floor, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong;
   - **China Everbright Securities (HK) Limited** at 36th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
   - **China Merchants Securities (HK) Co., Ltd.** at 48th Floor, One Exchange Square, Central, Hong Kong;
   - **First Shanghai Securities Limited** at 19th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong;
   - **GF Securities (Hong Kong) Brokerage Limited** at Suites 2301-5 & 2313, COSCO Tower, 183 Queen's Road Central, Hong Kong;
   - **Goldin Equities Limited** at 20th Floor, York House, The Landmark, 15 Queen's Road Central, Hong Kong;
   - **Mizuho Securities Asia Limited** at 11th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong;
   - **United Simsen Securities Ltd** at Room 1906–10, 19th Floor, The Center, 99 Queen's Road Central, Hong Kong;
   - **VC Brokerage Limited** at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong;
   - **Yee On Securities Limited** at Unit A, 22nd Floor, EIB Centre, 40–44 Bonham Strand, Sheung Wan, Hong Kong.

or any one of the following branches of Standard Chartered Bank (Hong Kong) Limited:

District	Branch name	Address
Hong Kong Island	Central Branch	Shop no. 16, G/F and Lower G/F, New World Tower, 16–18 Queen's Road Central, Central
	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Hennessy Road Branch	399 Hennessy Road, Wanchai
	Causeway Bay Branch	G/F, Yee Wah Mansion, 38–40A Yee Wo Street, Causeway Bay
	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
	North Point Centre Branch	North Point Centre, 284 King's Road, North Point
Kowloon	Kwun Tong Branch	1A Yue Man Square, Kwun Tong
	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617–623 Nathan Road, Mongkok
New Territories	Tsuen Wan Branch	Shop C, G/F & 1/F, Jade Plaza, 298 Sha Tsui Road, Tsuen Wan
	Metroplaza Branch	Shop 175, Level 1, Metroplaza, 223 Hing Fong Road, Kwai Fong
	Tai Po Branch	23 & 25 Kwong Fuk Road, Tai Po Market, Tai Po
	Tseung Kwan O Branch	Shop G37–40, G/F, Hau Tak Shopping Centre East Wing, Hau Tak Estate, Tseung Kwan O

2. You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 16 February 2009 until 12:00 noon on Thursday, 19 February 2009 from:

- **the Depository Counter of HKSCC** at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong; or
- your stockbroker who may have Application Forms and this prospectus available.

3. You can collect a **PINK** Application Form from the Company Secretary, Mr. Yiu Ho Chi Stephen, at the Company's head office and principal place of business in Hong Kong at Units 8-10, 8th Floor, Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong.

WHEN TO APPLY FOR THE PUBLIC OFFER SHARES

1. WHITE or YELLOW Application Forms

(a) Completed **WHITE** or **YELLOW** Application Forms, each with payment attached, must be lodged **by 12:00 noon on Thursday, 19 February 2009**, or, if the application lists are not open on that day, then by 12:00 noon on the next business day when the application lists are open.

(b) Your completed Application Forms, with payment attached, should be deposited in the special collection boxes provided at any of the branches of Standard Chartered Bank (Hong Kong) Limited listed in the paragraph "Where to collect the Application Forms" in this section at the following times:

Monday, 16 February 2009	**–**	**9:00 a.m. to 4:30 p.m.**
Tuesday, 17 February 2009	**–**	**9:00 a.m. to 4:30 p.m.**
Wednesday, 18 February 2009	**–**	**9:00 a.m. to 4:30 p.m.**
Thursday, 19 February 2009	**–**	**9:00 a.m. to 12:00 noon**

2. PINK Application Forms

Completed **PINK** Application Forms, with a cheque or banker's cashier order attached, must be returned to the Company Secretary, Mr. Yiu Ho Chi Stephen, at the Company's head office and principal place of business in Hong Kong at Units 8-10, 8th Floor, Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong by 4:00 p.m. on Wednesday, 18 February 2009.

3. Application lists

The application lists will open **from 11:45 a.m. to 12:00 noon on Thursday, 19 February 2009**, except as provided in the sub-paragraph headed "Effect of bad weather on the opening of the application lists" below. No proceedings will be taken on applications for the Public Offer Shares and no allotment of any such Shares will be made until after the closing of the application lists. No allocation of any of the Public Offer Shares until the closing of the application lists.

4. Effect of bad weather on the opening of the application lists

Subject to the terms and conditions set out in this Prospectus and the related Application Forms, applications on **WHITE** and **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC must be received by no later than 12:00 noon on Thursday, 19 February 2009, the last application day. If a tropical cyclone warning signal number 8 or above or a ''black'' rainstorm warning signal being in force in

Hong Kong at any time between 9:00 a.m. and 12:00 noon on the last application day, the latest time for receiving applications will be postponed to the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon.

Business day *means a day that is not a Saturday, Sunday or public holiday in Hong Kong.*

HOW TO APPLY USING A WHITE OR YELLOW AND/OR PINK APPLICATION FORM

1. Obtain a **WHITE** or **YELLOW** and/or **PINK** Application Form.

2. You should read the instructions in this prospectus and/or the relevant Application Forms carefully. If you do not follow the instructions, your application is liable to be rejected and returned by ordinary post together with the accompanying cheque or banker's cashier order to you (or the first-named applicant in the case of joint applicants) at your own risk to the address stated on your Application Forms.

3. Decide how many Public Offer Shares you want to purchase and calculate the amount you must pay.

4. Complete the Application Forms in English (save as otherwise indicated) and sign it. Only written signatures will be accepted. Applications made by corporations, whether on their own behalf or on behalf of other persons, must be stamped with the company chop (bearing the company name) and signed by a duly authorised officer, whose representative capacity must be stated. If you are applying for the benefit of someone else, you, rather than that person, must sign the Application Forms. If it is a joint application, all applicants must sign the Application Forms. If your application is made through a duly authorised attorney, the Company and the Sponsor (or their respective agents or nominees) may accept it at their discretion, and subject to any conditions they think fit, including production of evidence of the authority of your attorney.

5. Each Application Form must be accompanied by either one cheque or one banker's cashier order, which must be stapled to the top left-hand corner of the Application Forms.

   If you pay by cheque, the cheque must:

   - be in Hong Kong dollars;

   - be drawn on your Hong Kong dollar bank account in Hong Kong;

   - show your account name, which must either be pre-printed on the cheque, or be endorsed on the back by a person authorised by the bank. This account name must be the same as the name on the Application Forms. If the cheque is drawn on a joint account, one of the joint account names must be the same as the name of the applicant, or the name of the first-named joint applicant in the case of a joint application;

- be made payable to "Horsford Nominees Limited – Come Sure Public Offer";
- be crossed "Account Payee Only"; and
- not be post-dated.

Your application may be rejected if your cheque does not meet all these requirements or is dishonoured on its first presentation.

If you pay by banker's cashier order, the banker's cashier order must:

- be issued by a licensed bank in Hong Kong and have your name certified on the back by a person authorised by the bank. The name on the back of the banker's cashier order and the name on the Application Forms must be the same. If it is a joint application, the name on the back of the banker's cashier order must be the same as the name of the first-named joint applicant;
- be in Hong Kong dollars;
- be made payable to "Horsford Nominees Limited – Come Sure Public Offer";
- be crossed "Account Payee Only"; and
- not be post-dated.

Your application is liable to be rejected if your banker's cashier order does not meet all these requirements or is dishonoured on its first presentation.

6. If you are applying for shares using a **WHITE** or **YELLOW** Application Form, you should lodge your Application Forms in one of the collection boxes by the time and at one of the locations, as referred to in paragraph headed "Where to collect the prospectus and the Application Forms" above.

7. If you are applying for Shares using a **PINK** Application Form, you should return your Application Form to the Company Secretary, Mr. Yiu Ho Chi Stephen, at the Company's head office and principal place of business in Hong Kong at Units 8-10, 8th Floor, Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong by 4:00 p.m. on Wednesday, 18 February 2009.

8. **Multiple or suspected multiple applications are liable to be rejected. Please see the paragraph headed "How many applications you may make" below.**

9. In order for the **YELLOW** Application Forms to be valid:

   You, as the applicant(s), must complete the form as indicated below and sign on the first page of the application form. Only written signatures will be accepted.

- If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant):
  - the designated CCASS Participant must endorse the form with its company chop (bearing its company name) and insert its participant I.D. in the appropriate box.
- If you are applying as an individual CCASS Investor Participant:
  - you must fill in your full name and your Hong Kong Identity Card number; and
  - you must insert your CCASS Investor Participant I.D. in the appropriate box.
- If you are applying as a joint individual CCASS Investor Participant:
  - you must insert all joint CCASS Investor Participants' names and the Hong Kong Identity Card numbers of all of the joint CCASS Investor Participants; and
  - you must insert your CCASS Investor Participant I.D. in the appropriate box.
- If you are applying as a corporate CCASS Investor Participant:
  - you must insert your company name and your company's Hong Kong business registration number; and
  - you must fill in your CCASS Investor Participant I.D. and stamp your company chop (bearing your company's name) in the appropriate box.

Incorrect or omission of details of the CCASS Participant (including participant I.D. and/or company chop bearing its company name) or other similar matters may render the application invalid.

10. Nominees who wish to submit separate applications in their names on behalf of different beneficial owners are requested to designate on each Application Form in the box marked "For nominees" an account number or identification number for each beneficial owner.

    There are detailed instructions on each Application Form. You should read these instructions carefully. If you do not follow the instructions, your application may be rejected.

    If your application is made through a duly authorised attorney, the Company, the Sponsor and the Underwriters (or their respective agents or nominees) may accept the application at their discretion, and subject to any conditions as they think fit, including production of evidence of the authority of your attorney.

HOW TO APPLY BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS

General

CCASS Participants may give **electronic application instructions** to HKSCC to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds. This will be in accordance with their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979-7888 or the CCASS Internet System at https://ip.ccass.com (using the procedures contained in "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for you if you go to:

HKSCC's Customer Service Centre
2nd Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

and complete an input request form.

Copies of this prospectus are available for collection from the above address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You are deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application, whether submitted by you or through your broker or custodian, to the Company and Tricor Investor Services Limited.

Warning

The application for the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. The Company, the Directors, the Sponsor, the Underwriters and other parties involved in the Share Offer take no responsibility for the application and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions** to HKSCC through the CCASS Phone System or CCASS Internet System, CCASS Investor Participants are advised not to wait until the last moment to input instructions. In the event that CCASS Investor Participants have problems in connecting to the CCASS Phone System or CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit the **WHITE** or **YELLOW** Application Form or (ii) go to HKSCC's Customer Service Centre to complete an application instruction input request form before 12:00 noon on Thursday, 19 February 2009.

Giving electronic application instructions to HKSCC to apply for the Public Offer Shares by HKSCC Nominees on your behalf

Where a **WHITE** Application Form is signed by HKSCC Nominees on behalf of persons who have given **electronic application instructions** to apply for the Public Offer Shares,

- HKSCC Nominees is only acting as nominee for those persons and shall not be liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

- HKSCC Nominees does the following things on behalf of each of the persons:

  (a) agrees that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to that person's CCASS Investor Participant stock account or the stock account of the CCASS Participant who has inputed **electronic application instructions** on that person's behalf;

  (b) undertakes and agrees to accept the Public Offer Shares in respect of which that person has given **electronic application instructions** or any lesser number;

  (c) undertakes and confirms that that person has not applied for or taken up any Placing Shares nor otherwise participated in the Placing;

  (d) if the **electronic application instructions** are given for that person's own benefit, declares that only one set of **electronic application instructions** has been given for that person's benefit;

  (e) if that person is an agent for another person, declares that it has given only one set of **electronic application instructions** for the benefit of that other person, and that it is duly authorised to give those instructions as that other person's agent;

  (f) understands that the above declaration will be relied upon by the Company in deciding whether or not to make any allotment of Public Offer Shares in respect of the **electronic application instructions** given by that person and that person may be prosecuted if that person makes a false declaration;

  (g) authorises the Company to place the name of HKSCC Nominees on the register of members of the Company as the holder of the Public Offer Shares allotted in respect of that person's **electronic application instructions** and to send share certificates and/or refund cheques in accordance with arrangements separately agreed between the Company and HKSCC;

(h) confirms that that person has read the terms and conditions and application procedures set forth in this prospectus and agrees to be bound by them;

(i) confirms that that person has only relied on the information and representations in this prospectus in giving that person's **electronic application instructions** or instructing that person's broker/custodian to give **electronic application instructions** on that person's behalf save as set out in any supplement to this prospectus;

(j) agrees that the Company, the Directors, the Sponsor, the Underwriters and other parties involved in the Share Offer are liable only for the information and representations contained in this prospectus and any supplement thereto;

(k) agrees (without prejudice to any other rights which that person may have) that once the application of HKSCC Nominees has been accepted, the application cannot be rescinded for innocent misrepresentations;

(l) agrees to disclose that person's personal data to the Company and its agents and any information which they require about that person;

(m) agrees that any application made by HKSCC Nominees on behalf of that person pursuant to **electronic application instructions** given by that person is irrevocable until after the fifth day after the time of opening of the application lists (which is expected to be Thursday, 26 February 2009), such agreement to take effect as a collateral contract with the Company and to become binding when that person gives the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Public Offer Shares to any person before Thursday, 26 February 2009 except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of opening of the application lists (which is expected to be Thursday, 26 February 2009) if a person responsible for this prospectus under section 40 of the Companies Ordinance (as applied by section 342E of the Companies Ordinance) gives a public notice under that section which excludes or limits the responsibility of that person for this prospectus;

(n) agrees that once the application of HKSCC Nominees is accepted, neither that application nor that person's **electronic application instructions** can be revoked and that acceptance of that application will be evidenced by the announcement on results of the Public Offer published by our Company;

(o) agrees to the arrangement, undertakings and warranties specified in the participant agreement between that person and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, in respect of the giving of **electronic application instructions** relating to the Public Offer Shares;

(p) agrees with the Company, for itself and for the benefit of each shareholder of the Company (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each shareholder of the Company, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Ordinance, the Companies Law, the Memorandum and the Articles;

(q) agrees that that person's application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong.

Effect of giving electronic application instructions

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and if you are joint applicants, each jointly and severally) are deemed to do the following things. Neither HKSCC nor HKSCC Nominees will be liable to our Company or any other person in respect of the things mentioned below:

– instruct and authorise HKSCC to cause HKSCC Nominees (acting as nominee for the CCASS Participants) to apply for the Public Offer Shares on your behalf;

– instruct and authorise HKSCC to arrange payment of the maximum Offer Price, brokerage, the SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of wholly or partly unsuccessful applications and/or the Offer Price is less than the maximum Offer Price, refund of the application money by crediting your designated bank account;

– instruct and authorise HKSCC to cause HKSCC Nominees to do on your behalf all the things which it is stated to do on your behalf in the **WHITE** Application Form.

Minimum application amount and permitted multiples

You may give **electronic application instructions** in respect of a minimum of 2,000 Public Offer Shares. Instructions in respect of more than 2,000 Public Offer Shares must be in one of the multiples set forth in the table on the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of the Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of the Public Offer Shares in respect of which you have given such instructions and/or in respect of which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made. Further information is set forth under "How many applications you may make" above.

Time of inputting electronic application instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times dates:

Monday, 16 February 2009 – 9:00 a.m. to 8:30 p.m.*(Note)*
Tuesday, 17 February 2009 – 8:00 a.m. to 8:30 p.m.*(Note)*
Wednesday, 18 February 2009 – 8:00 a.m. to 8:30 p.m.*(Note)*
Thursday, 19 February 2009 – 8:00 a.m.*(Note)* to 12:00 noon

Note: These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, 16 February 2009 to 12:00 noon on Thursday, 19 February 2009 (24 hours daily, except the last application day).

Allocation of the Public Offer Shares

For the purpose of allocating the Public Offer Shares, HKSCC Nominees shall not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit each such instruction is given shall be treated as an applicant.

Personal data

Information set forth under "Personal Data" in the Application Forms applies to all personal data held by the Company and Tricor Investor Services Limited about you in the same way as it applies to personal data about all applicants other than HKSCC Nominees.

HOW MANY APPLICATIONS YOU MAY MAKE

1. You may make more than one application for the Public Offer Shares only if:

   (a) you are a **nominee**, in which case you may both give **electronic application instruction** to HKSCC (if you are a CCASS Participant) and lodge more than one Application Form in your own name on behalf of different beneficial owners. In the box on the Application Form marked "For nominees" you must include:

   - an account number; or
   - some other identification code

   for **each** beneficial owner or, in the case of joint beneficial owners, for each such beneficial owner. If you do not include this information, the application will be treated as being for your own benefit.

   (b) you are an Eligible Employee and apply on a **PINK** Application Form, in which case you may also apply for the Public Offer Shares on a **WHITE** or **YELLOW** Application Form or give **electronic application instructions** to HKSCC.

   Otherwise, multiple applications are not allowed and will be rejected.

It will be a term and condition of all applications that by completing and delivering an Application Form or by giving **electronic application instructions** to HKSCC, you:

- if the application is made for your own benefit, **warrant** that this is the only application which will be made for your benefit on a **WHITE** or **YELLOW** Application Form or through giving **electronic application instructions** to HKSCC;
- if you are a full-time employee, **warrant** that this is the only application which will be made on a **PINK** Application Form; or
- if you are an agent for another person, **warrant** that reasonable enquiries have been made of that other person that this is the only application which will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form or through giving **electronic application instructions** to HKSCC, and that you are duly authorised to sign the Application Form or give **electronic application instructions** as that other person's agent.

2. **Multiple applications or suspected multiple applications will be rejected. All** of your applications under the Public Offer will be rejected as multiple applications if you, or you and your joint applicants together:

   - make more than one application (whether individually or jointly with others) on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC (if you are a CCASS Participant or applying through a CCASS Clearing Participant or a CCASS Custodian Participant);

   - apply (whether individually or jointly with others) on one **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC (if you are a CCASS Participant or applying through a CCASS Clearing Participant or a CCASS Custodian Participant) for more than 100% of the Public Offer Shares initially being offered under the Public Offer (excluding the Public Offer Shares initially available to Eligible Employees) (i.e. over 6,300,000 Shares);

   - make more than one application on a **PINK** Application Form;

   - apply on one **PINK** Application Form for more than the maximum number of Shares available for subscription by Eligible Employees (i.e. over 700,000 Shares);

   - apply for, take up or receive any Placing Shares (including conditionally and/or provisionally) under the Placing or otherwise participate in the Placing;

   - indicate any interest in any Shares (including conditionally and/or provisionally) under the Placing; or

   - apply on one **WHITE** Application Form and one **YELLOW** Application Form or on a **WHITE** or **YELLOW** Application Form and give **electronic application instructions** to HKSCC (if you are a CCASS Participant or applying through a CCASS Clearing Participant or a CCASS Custodian Participant).

3. **All** of your applications will also be rejected as multiple applications if more than one application is made for **your benefit** unless you are an Eligible Employee who has made an application on a **PINK** Application Form. If an application is made by an unlisted company and

   - the only business of that company is dealing in securities; and

   - you exercise statutory control over that company

   then that application will be treated as being for your benefit.

Unlisted company *means a company with no equity securities listed on the Stock Exchange.*

Statutory control *means you:*

- *control the composition of the board of directors of that company; or*
- *control more than half of the voting power of that company; or*
- *hold more than half of the issued share capital of that company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).*

How much to pay for the Public Offer Shares

The maximum Offer Price is HK$1.31 for each Public Offer Share. You must also pay 1% brokerage fee, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee of the maximum Offer Price on application. This means that for every 2,000 Public Offer Shares you will pay HK$2,646.43. The Application Forms have tables showing the exact amount payable for certain multiples of the Public Offer Shares.

You must pay the maximum Offer Price, the brokerage, the Stock Exchange trading fee and the SFC transaction levy in full when you apply for the Public Offer Shares. Your payment must be made by one cheque or one banker's cashier order and must comply with the terms of the Application Forms (if you apply by an Application Form).

If the Offer Price as finally determined is less than HK$1.31 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants without interest. Details of the procedures for refund are contained below in the section headed "Despatch/collection of Share certificates and refund of application monies".

If your application is successful, brokerage is paid to participants of the Stock Exchange and the transaction levy are paid to the SFC and the trading fee is paid to the Stock Exchange.

CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

Full details of the circumstances in which you will not be allotted Public Offer Shares are set out in the notes attached to the Application Forms (whether you are making your application by an Application Form or electronically instructing HKSCC to cause HKSCC Nominees to apply on your behalf), and you should read them carefully. You should note in particular the following situations in which Public Offer Shares will not be allotted to you:

- **Revocation of your application:**

  By depositing an Application Form or submitting **electronic application instructions** to HKSCC, you agree that you cannot revoke your application or the application made by HKSCC Nominees on your behalf on or before the expiration of the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong), being Thursday, 26 February 2009. This agreement will take effect as a collateral contract with the Company, and will become binding when you lodge your Application Form or submit your **electronic application instructions** to HKSCC and an application has been made by HKSCC Nominees on your behalf. This collateral contract will be in consideration of the Company agreeing that it will not offer any Public Offer Shares to any person on or before Thursday, 26 February 2009, except by means of one of the procedures referred to in this prospectus.

  You may only revoke your application or the application made by HKSCC Nominees on your behalf before the fifth day after the timing of opening of the application lists (except for this purpose any day which is a Saturday, Sunday or pubic holiday in Hong Kong), being Thursday, 26 February 2009, if a person responsible for this prospectus under section 40 of the Companies Ordinance (as applied by section 342E of the Companies Ordinance) gives a public notice under that section having the effect of excluding or limiting the responsibility of that person for this prospectus.

  If any supplement to this prospectus is issued, applicants who have already submitted an application under the Public Offer may or may not (depending on the information contained in the supplement) be notified that they can withdraw their applications. Subject to the above, an application once made is irrevocable and applicants shall be deemed to have applied on the basis of this prospectus as supplemented.

  If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked or withdrawn. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the announcement of the results of allotment, and where such basis of allotment is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

- **If the allotment of the Public Offer Shares is void:**

Allotment to you of the Public Offer Shares or to HKSCC Nominees (if you give **electronic application instructions** or apply by a **YELLOW** Application Form) will be void if the Stock Exchange does not grant permission to list the Shares either:

  - within three weeks from the closing of the application lists; or

  - within a longer period of up to six weeks if the Stock Exchange notifies the Company of that longer period within three weeks of the closing of the application lists.

- **At the full discretion of the Company or its agents:**

The Company and Kingsway Financial (for itself and on behalf of the Public Offer Underwriters) and their respective agents and nominees (as the Company's agents) have full discretion to reject or accept any application, or to accept only part of any application, without having to give any reason for any rejection or acceptance.

- **If your application is rejected:**

Your application may be rejected if:

  - you make multiple or suspected multiple applications;

  - you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and/or Placing Shares in the Placing. By filling in any of the **WHITE** or **YELLOW** Application Forms or applying by giving **electronic application instructions** to HKSCC, you agree not to apply for Public Offer Shares as well as Placing Shares in the Placing. Reasonable steps will be taken to identify and reject applications in the Public Offer from investors who have received Placing Shares in the Placing, and to identify and reject indications of interest in the Placing from investors who have received Public Offer Shares in the Public Offer;

  - you apply on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS for more than 100% of the Public Offer Shares initially offered for subscription under the Public Offer (excluding the Public Offer Shares initially available to Eligible Employees) (i.e. over 6,300,000 Shares);

  - you apply on a **PINK** Application Form for more than the maximum number of Shares available for subscription by Eligible Employees;

- the Company believes that acceptance of your application would violate the applicable securities or other laws, rules or regulations of the jurisdiction in which the application is completed and/or signed;

- your Application Form has not been completed correctly in accordance with the instructions thereon;

- your payment is not in the correct form or amount; or

- you pay by cheque or banker's cashier order and the cheque or banker's cashier order is dishonoured on its first presentation.

- **If your application is not accepted:**

Your application (including the part of an application made by HKSCC Nominees acting upon **electronic application instructions**) will not be accepted if either:

- the Underwriting Agreements do not become unconditional in accordance with its terms; or

- the Underwriting Agreements are terminated in accordance with its terms or otherwise; or

- if Kingsway Financial (for itself and on behalf of the Underwriters) and the Company are unable to reach the Price Determination Agreement by the Price Determination Time.

PUBLICATION OF RESULTS

The Company expects to publish (i) the final Offer Price, (ii) the level of indication of interests in the Placing, (iii) the level of applications of the Public Offer, (iv) the basis of allotment of the Public Offer Shares, and (v) re-allocation of Offer Shares between the Public Offer and the Placing (if any) on Wednesday, 25 February 2009 in The Standard (in English) and the Economic Journals (in Chinese), and the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk.

The results of allocations in the Public Offer, including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of Public Offer Shares successfully applied for under **WHITE**, **YELLOW** and **PINK** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS will be made available at the times and dates and in the manner specified below:

- results of allocations will be available on the website of the Company at www.comesure.com and the website of the Stock Exchange at www.hkex.com.hk from 8:00 a.m. on Wednesday, 25 February 2009;

- results of allocations will be available from the website at www.tricor.com.hk/ipo/result on a 24-hour basis from 8:00 a.m. from Wednesday, 25 February 2009 to midnight on Tuesday, 3 March 2009. The user will be required to key in the Hong Kong identity card/passport/Hong Kong business registration number provided in his/her/its Application Form to search for his/her/its own allocation result;

- results of allocations will be available from the Public Offer allocation results telephone enquiry line. Applicants may find out whether or not their applications have been successful and the number of Public Offer Shares allocated to them, if any, by calling 369-18-488 between 9:00 a.m. from Wednesday, 25 February 2009 to 6:00 p.m. on Monday, 2 March 2009 (excluding Saturday, Sunday and public holiday in Hong Kong); and

- special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of the designated branches of Standard Chartered Bank (Hong Kong) Limited from Wednesday, 25 February 2009 to Friday, 27 February 2009 at the addresses set forth under "How to apply for the Hong Kong Public Offer Shares – Where to collect the prospectus and the Application Forms" in this prospectus.

DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

1. **WHITE** Application Forms:

   (a) If you have applied for 1,000,000 Public Offer Shares or above and have indicated on your Application Form that you wish to collect your Share certificate(s) and, if any, refund cheque(s), you may collect them in person from:

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

   between 9:00 a.m. and 1:00 p.m. on the date notified by the Company in the newspapers as the date of despatch of Share certificates and/or refund cheques. This is expected to be Wednesday, 25 February 2009.

   (b) Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. The applicants must show their identification documents to collect their Share certificate(s) and, if any, refund cheque(s). Applicants being corporations which opt for personal collection must attend by their authorised representatives with letters of authorisation from their corporations stamped with the corporation's chops (bearing the name of the corporations). Both individuals and authorised representatives of corporations must produce at the time of collection evidence of identity acceptable to Tricor Investor Services Limited.

(c) If you do not collect your Share certificate(s) and, if any, refund cheque(s) personally within the time specified for its/their collection as mentioned in your Application Form, it/they will be sent to the address on your Application Form on the date of despatch, by ordinary post and at your own risk.

(d) If you have applied for 1,000,000 Public Offer Shares or more and have not indicated on your Application Form that you will collect your Share certificate(s) and, if any, refund cheque(s) in person, or if you have applied for less than 1,000,000 Public Offer Shares, or if the Offer Price as finally determined is less than the initial price per Share (excluding related brokerage, SFC transaction levy and Stock Exchange trading fee thereon) paid on application, then your Share certificate(s) and, if any, refund cheque(s) will be sent to the address on your Application Form on the date of despatch, by ordinary post and at your own risk.

2. **YELLOW** Application Forms or by **Electronic Application Instructions**:

(a) If you apply for the Public Offer Shares using a **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS, and the application is wholly or partly successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of your designated CCASS Participant as instructed by you, at the close of business on Wednesday, 25 February 2009, or under contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominees.

(b) If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant):

- for Public Offer Shares credited to the stock account of your designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you (and the amount of refund money payable to you if you have instructed a CCASS Clearing/Custodian Participant to give **electronic application instructions** to HKSCC on your behalf) with that CCASS Participant.

(c) If you are applying as a CCASS Investor Participant:

- the Company is expected to publish the results of CCASS Investor Participants' applications together with the results of the Share Offer in the manner as described in the paragraph headed "Publication of Results" above on Wednesday, 25 February 2009. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, 25 February 2009 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS

Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your stock account and (if you are applying by giving **electronic application instructions** to HKSCC) the amount of refund monies credited to your designated bank account.

(d) If you have applied for 1,000,000 Public Offer Shares or more on a **YELLOW** Application Form and have not indicated on your Application Form that you will collect your refund cheque(s) (if any) in person, or if you have applied for less than 1,000,000 Public Offer Shares, or if the Offer Price as finally determined is less than the initial price per Offer Share (excluding related brokerage, SFC transaction levy and Stock Exchange trading fee thereon) paid on application, then your refund cheque(s) (if any) will be sent to the address on your Application Form on the date of despatch, by ordinary post and at your own risk.

(e) If you have applied for 1,000,000 Public Offer Shares or more and have indicated on your **YELLOW** Application Form that you wish to collect your refund cheque(s) (if any) in person, you should follow the procedures as set out in the sub-paragraph "**WHITE** Application Forms" above.

3. **PINK** Application Forms:

If you are applying on a **PINK** Application Form, the Share certificate(s) and/or refund cheque (if any) will be sent to the address on your Application Form shortly after the date of despatch, which is expected to be on Wednesday, 25 February 2009, by ordinary post and at your own risk.

4. No receipt will be issued for application money paid. The Company will not issue temporary documents of title. Share certificates will only become valid documents of title provided that the Share Offer has become unconditional and the Underwriting Agreements has not been terminated in accordance with its terms, which is expected to be at 8:00 a.m. on Thursday, 26 February 2009.

Subject as mentioned below, the following will be sent to you (or, in the case of joint applicants, the first-named applicant) in due course by ordinary post and at your own risk, to the address specified on the Application Forms:

(a) for applicants on **WHITE** and **PINK** Application Forms: (i) Share certificate(s) for all the Public Offer Shares applied for, if the application is wholly successful; or (ii) Share certificate(s) for the number of Public Offer Shares successfully applied for, if the application is partially successful; and/or

(b) for applicants on **WHITE**, **YELLOW** and **PINK** Application Forms, a refund cheque crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) the surplus application monies for the Public Offer Shares unsuccessfully applied for, if the application is partially unsuccessful; or (ii) all the application monies, if the application is wholly unsuccessful; and/or (iii) for the surplus application monies if the Offer Price as finally determined is less than the initial price per Public Offer Share paid on application, in each case, including 1% brokerage fee, 0.004% SFC transaction levy and 0.005% Stock Exchange trading fee, **without interest**.

(c) the applicants are advised that a refund cheque to an individual applicant will be printed with part of the applicant's Hong Kong identity card number (or passport number). For joint applicants, the identity information of the first-named applicant will be printed thereon. When a refund cheque is presented to a bank, the bank will cross-check both the name and the printed part of the Hong Kong identity card or passport number of the payee shown on the refund cheque against the bank's own record on the information of the account holder. If there is a discrepancy, the bank might request other proof of identity or take other steps for verification. If the bank is unable to be satisfied with the identity of the payee, the bank might reject the deposit of the refund cheque concerned. Applicants are strongly advised to ensure that their identification numbers are accurately filled in on the Application Forms to avoid delay in cashing their refund cheques. A cheque deposit might be rejected if an applicant fails to fill in correct identity information. When you are in doubt, you should enquire with the Company's branch share registrar, Tricor Investor Services Limited.

(d) If you have given **electronic application instructions** to HKSCC, your refunds (if any) will be credited to your designated bank account (if you are applying as a CCASS Investor Participant) or the designated bank account of the designated CCASS Participant through which you are applying (if you are applying through a CCASS Clearing/Custodian Participant) on Wednesday, 25 February 2009. If you have instructed your designated CCASS Participant (other than CCASS Investor Participant) to give **electronic application instructions** on your behalf, you can check the amount of refund (if any) payable to you with that designated CCASS Participant. If you have applied as a CCASS Investor Participant, you can check the amount of refund (if any) payable to you via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Wednesday, 25 February 2009 or in the activity statement made available to you by HKSCC immediately after the credit of refund money to your bank account.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Main Board are expected to commence at 9:30 a.m. on Thursday, 26 February 2009.

Shares will be traded on the Main Board in board lots of 2,000 Shares each.

The Stock Exchange stock code for the Shares is 794.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting by the Listing Committee of the approval for listing of, and permission to deal in, the Shares in issue and to be issued on the Stock Exchange as mentioned in this prospectus and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. Investors should seek the advice of their stockbroker(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

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

16 February 2009

The Board of Directors
Come Sure Group (Holdings) Limited
Kingsway Capital Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Come Sure Group (Holdings) Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for each of the three years ended 31 March 2008 and the six months ended 30 September 2008 (the "Relevant Periods") for inclusion in the prospectus dated 16 February 2009 issued by the Company (the "Prospectus").

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 10 March 2006. Pursuant to a group reorganisation, as more fully explained in the paragraph headed "Corporate reorganisation" in Appendix VI to the Prospectus (the "Reorganisation"), the Company has become the holding company of the Group since 30 March 2006.

On 30 March 2006 and 31 March 2006, two wholly-owned subsidiaries, Sunny Force International Limited ("Sunny Force") and Dynamic Develop Holdings Limited ("Dynamic Develop") were disposed of by the Group, respectively. These companies have not carried on any significant business transactions since their respective dates of incorporation.

On 28 November 2006, the Group disposed of the wholly-owned subsidiaries, Century Shiny Investment Limited ("Century Shiny"), China Apex Investment Limited ("China Apex"), *惠州錦勝包裝有限公司 (Huizhou Come Sure Packing Company Limited ("Come Sure Huizhou")) and *華捷包裝(惠州)有限公司 (China Apex Packing (Huizhou) Company Limited ("China Apex (Huizhou)")). On 2 February 2009, the Group acquired the entire equity interests of Century Shiny and its subsidiary, Come Sure Huizhou.

As at the date of this report, the Company had the following subsidiaries:

Name of subsidiary	Place and date of incorporation/ establishment	Issued share capital/ registered capital	Attributable equity interest	Principal activities/place of operation
Directly held				
Jumbo Match Limited	British Virgin Islands (the "BVI") 9 September 2005	Ordinary US$1	100%	Investment holding/HK
Indirectly held				
Bright Leader Holdings Limited ("Bright Leader")	Hong Kong 2 February 2005	Ordinary HK$10,000	100%	Investment holding/HK
* 耀駿貿易(深圳)有限公司 Bright Leader Trading (Shenzhen) Company Limited ("Bright Leader Shenzhen")	People's Republic of China (the "PRC")# 27 July 2007	Registered capital HK$15,000,000	100%	Property holding/PRC
Central Dragon Limited	BVI 18 August 1995	Ordinary US$1	100%	Investment holding/HK
Central Master Limited	BVI 18 August 1995	Ordinary US$1	100%	Investment holding/HK
Century Shiny	Hong Kong 29 August 2005	Ordinary HK$1,000,000	100%	Investment holding/ PRC
Chance Bright Limited – Macao Commercial Offshore ("CBL")	Macau 25 January 2005	Ordinary MOP100,000	100%	Trading of corrugated raw paper and accessories/Macau
Come Sure Development Limited ("CSD")	Hong Kong 20 October 1987	Ordinary HK$60,000,000	100%	Trading of corrugated raw paper and paper-based packaging products and investment and property holding/HK
Come Sure Group Limited – Macao Commercial Offshore ("CSG")	Macau 25 January 2005	Ordinary MOP100,000	100%	Trading of corrugated paperboards and paper-based packaging products/ Macau
Come Sure Holdings Limited ("CSH")	BVI 18 August 1995	Ordinary US$13,500,000	100%	Investment holding and trading of corrugated paperboards and paper-based packaging products/HK

Name of subsidiary	Place and date of incorporation/ establishment	Issued share capital/ registered capital	Attributable equity interest	Principal activities/place of operation
Come Sure Huizhou	PRC 23 January 2006	Registered capital HK$22,000,000	100%	Not yet commenced business/PRC
錦勝包裝(深圳)有限公司 Come Sure Packing Products (Shenzhen) Company Limited ("Come Sure Shenzhen")	PRC# 23 December 1992	Registered capital HK$248,980,000	100%	Trading and manufacturing of corrugated paperboards and paper-based packaging products/PRC
Grand View Enterprises Group Limited	BVI 2 January 2002	Ordinary US$1,000	100%	Investment holding/PRC
Keen Rise International Development Limited ("Keen Rise")	Hong Kong 21 February 2008	Ordinary HK$100	100%	Trading of corrugated paperboards and paper-based packaging products/HK
Luck Sea Investment Limited	Hong Kong 14 May 2004	Ordinary HK$1,000,000	100%	Dormant
Wah Ming International Limited ("Wah Ming")	Hong Kong 3 July 2002	Ordinary HK$2,000,000	100%	Trading and manufacturing of offset printed corrugated paper-based packaging products/PRC

* *The English name of this company represents management's best efforts in translating the Chinese name of this company as no English name has been registered.*

\# *The company is a wholly foreign-owned enterprise.*

All the companies comprising the Group have adopted 31 March as their financial year end date, except for Come Sure Shenzhen, Come Sure Huizhou, China Apex (Huizhou) and Bright Leader Shenzhen, which adopt 31 December as their financial year end date as required by the relevant laws in the PRC.

We have audited the financial statements of CSH, CSD, Wah Ming and Luck Sea Investment Limited for the three years ended 31 March 2008 and Bright Leader for the period from its date of incorporation to 31 March 2008.

The statutory financial statements of Bright Leader Shenzhen, Come Sure Shenzhen, CBL and CSG have been prepared in accordance with the relevant accounting principles and financial regulations applicable to their respective place of incorporation

and audited by certified public accountants registered in the respective countries where these companies are incorporated as follows:

Company	Financial period	Auditors
Bright Leader Shenzhen	Period from 27 July 2007 to 31 December 2007	深圳市長城會計師事務所有限公司 ("Shenzhen Great Wall Certified Public Accountants Co., Ltd") registered in PRC
Come Sure Shenzhen	Years ended 31 December 2005 and 2006	深圳市義達會計師事務所有限責任公司 ("Shenzhen Yida Certified Public Accountants Co., Ltd") registered in PRC
	Year ended 31 December 2007	深圳市永明會計師事務所有限責任公司 ("Shen Zhen Yongming Certified Public Accountants Limited") registered in PRC
CBL	Years ended 31 March 2006, 2007 and 2008	Leong Kam Chun & Co., Certified Public Accountants registered in Macau
CSG	Years ended 31 March 2006, 2007 and 2008	Leong Kam Chun & Co., Certified Public Accountants registered in Macau

No audited financial statements have been prepared for the subsidiaries incorporated in the BVI except for CSH since their respective dates of incorporation as there is no statutory audit requirement in their countries of incorporation. No audited financial statements have been prepared for Keen Rise as this company was incorporated in Hong Kong on 21 February 2008 and has not commenced business since its incorporation. No audited financial statements have been prepared for Sunny Force, Century Shiny and China Apex before their disposals as these companies have not carried on any significant business transactions since incorporation and there is no statutory requirement to prepare their first set of financial statements before their date of disposal. Audited financial statements have also not been prepared for Come Sure Huizhou and China Apex (Huizhou) before their disposal on 28 November 2006 as they were incorporated after 31 December 2005.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group for the Relevant Periods (the "HKFRS Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

We have performed our independent audit on the HKFRS Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the HKFRS Financial Statements in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared from the HKFRS Financial Statements and on the basis of preparation set out in note 2 of section G "Notes to Financial Information" below. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Prospectus.

The directors of the Company are responsible for the preparation of the HKFRS Financial Statements and the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the HKFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

For the purpose of this report, the directors of the Company have prepared the comparative financial information of the Group for the six months ended 30 September 2007 (the "Comparative Financial Information") in accordance with HKFRSs and on the basis of preparation set out in note 2 to section G "Notes to Financial Information". We have reviewed the Comparative Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists principally of making enquiries of the Group management and applying analytical procedures to the Comparative Financial Information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the Comparative Financial Information.

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the Comparative Financial Information.

In our opinion, for the purpose of this report and on the basis of preparation set out in note 2 of section G below, the Financial Information gives a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2006, 2007 and 2008 and 30 September 2008 and of the results and cash flows of the Group for the Relevant Periods.

FINANCIAL INFORMATION

A. CONSOLIDATED INCOME STATEMENTS

		Year ended 31 March			Six months ended 30 September	
		2006	2007	2008	2007	2008
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Turnover	*7*	574,871	643,198	665,667	333,134	392,183
Cost of goods sold		(466,293)	(517,840)	(524,737)	(271,222)	(312,799)
Gross profit		108,578	125,358	140,930	61,912	79,384
Other income	*8*	2,966	1,761	2,412	1,371	1,081
Selling expenses		(18,422)	(21,378)	(19,078)	(9,450)	(13,178)
Administrative expenses		(35,619)	(38,667)	(48,877)	(19,596)	(23,442)
Other operating expenses		(2,439)	(4,599)	(1,343)	(1,266)	(143)
Profit from operations		55,064	62,475	74,044	32,971	43,702
Finance costs	*9*	(7,361)	(9,982)	(6,841)	(3,606)	(2,255)
Profit before tax		47,703	52,493	67,203	29,365	41,447
Income tax expense	*10*	(1,648)	(3,201)	(5,908)	(3,122)	(3,564)
Profit for the year/period	*11*	46,055	49,292	61,295	26,243	37,883
Dividends	*14*	60,000	30,000	40,000	–	–
Earnings per share						
Basic	*15*	24.46 cents	23.87 cents	29.19 cents	12.50 cents	18.04 cents

B. CONSOLIDATED BALANCE SHEETS

	Note	At 31 March 2006 HK$'000	At 31 March 2007 HK$'000	At 31 March 2008 HK$'000	At 30 September 2008 HK$'000
Non-current assets					
Prepaid land lease payments	16	1,607	4,694	5,163	5,197
Property, plant and equipment	17	128,475	131,195	130,997	126,517
Investment properties	18	420	420	420	420
Club membership		366	366	366	366
		130,868	136,675	136,946	132,500
Current assets					
Inventories	19	68,580	51,016	77,277	66,518
Trade and other receivables	20	155,447	152,899	172,384	204,928
Prepaid land lease payments	16	40	393	215	222
Due from related companies	21	6,559	200	–	–
Current tax assets		236	78	–	–
Pledged bank deposits	22	26,436	34,529	37,841	39,378
Bank and cash balances	22	49,629	39,728	56,148	48,131
		306,927	278,843	343,865	359,177
Current liabilities					
Trade and other payables	23	63,195	77,236	97,462	79,530
Due to a related company	21	–	240	–	–
Due to a director	24	18,150	–	–	–
Dividend payable		–	–	40,000	–
Short-term bank borrowings	25	185,133	100,766	81,973	105,666
Current tax liabilities		7,770	9,187	3,643	3,383
Current portion of long term borrowings	27	5,869	5,047	5,539	5,185
		280,117	192,476	228,617	193,764
Net current assets		26,810	86,367	115,248	165,413
Total assets less current liabilities		157,678	223,042	252,194	297,913

	Note	At 31 March 2006 HK$'000	At 31 March 2007 HK$'000	At 31 March 2008 HK$'000	At 30 September 2008 HK$'000
Non-current liabilities					
Deferred tax liabilities	*26*	817	1,885	2,285	2,885
Long term borrowings	*27*	4,023	6,891	8,436	5,843
		4,840	8,776	10,721	8,728
NET ASSETS		152,838	214,266	241,473	289,185
Capital and reserves					
Share capital	*28*	–	–	–	–
Reserves		152,838	214,266	241,473	289,185
TOTAL EQUITY		152,838	214,266	241,473	289,185

C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000 (note 28)*	Share premium *HK$'000 (note 29(i))*	Special reserve *HK$'000 (note 29(ii))*	Foreign currency translation reserve *HK$'000 (note 29(iii))*	Statutory reserve *HK$'000 (note 29(iv))*	Retained profits *HK$'000*	Proposed final dividend *HK$'000*	Total equity *HK$'000*
At 1 April 2005	–	–	105,302	(1,969)	11,729	48,724	–	163,786
Exchange differences arising on translation of foreign operations	–	–	–	2,990	–	–	–	2,990
Net income recognised directly in equity	–	–	–	2,990	–	–	–	2,990
Profit for the year	–	–	–	–	–	46,055	–	46,055
Total recognised income and expense for the year	–	–	–	2,990	–	46,055	–	49,045
Issue of shares by a subsidiary	–	–	7	–	–	–	–	7
Transfers	–	–	–	–	2,202	(2,202)	–	–
Interim dividend	–	–	–	–	–	(60,000)	–	(60,000)
At 31 March 2006	–	–	105,309	1,021	13,931	32,577	–	152,838
Share issue expenses *(note 28 (c))*	–	(2,024)	–	–	–	–	–	(2,024)
Exchange differences arising on translation of foreign operations	–	–	–	5,880	–	–	–	5,880
Net income recognised directly in equity	–	(2,024)	–	5,880	–	–	–	3,856
Profit for the year	–	–	–	–	–	49,292	–	49,292
Total recognised income and expense for the year	–	(2,024)	–	5,880	–	49,292	–	53,148
Issue of shares *(note 28 (c))*	–	23,280	–	–	–	–	–	23,280
Transfers	–	–	–	–	1,812	(1,812)	–	–
Interim dividend	–	–	–	–	–	(15,000)	–	(15,000)
Proposed final dividend	–	–	–	–	–	(15,000)	15,000	–
At 31 March 2007	–	21,256	105,309	6,901	15,743	50,057	15,000	214,266
Exchange differences arising on translation of foreign operations	–	–	–	20,912	–	–	–	20,912
Net income recognised directly in equity	–	–	–	20,912	–	–	–	20,912
Profit for the year	–	–	–	–	–	61,295	–	61,295
Total recognised income and expense for the year	–	–	–	20,912	–	61,295	–	82,207
Transfers	–	–	–	–	2,302	(2,302)	–	–
Interim dividend	–	–	–	–	–	(40,000)	–	(40,000)
Final dividend of 2007	–	–	–	–	–	–	(15,000)	(15,000)
At 31 March 2008	–	21,256	105,309	27,813	18,045	69,050	–	241,473

	Share capital *HK$'000 (note 28)*	Share premium *HK$'000 (note 29(i))*	Special reserve *HK$'000 (note 29(ii))*	Foreign currency translation reserve *HK$'000 (note 29(iii))*	Statutory reserve *HK$'000 (note 29(iv))*	Retained profits *HK$'000*	Proposed final dividend *HK$'000*	Total equity *HK$'000*
At 1 April 2008	–	21,256	105,309	27,813	18,045	69,050	–	241,473
Exchange differences arising on translation of foreign operations	–	–	–	9,829	–	–	–	9,829
Net income recognised directly in equity	–	–	–	9,829	–	–	–	9,829
Profit for the period	–	–	–	–	–	37,883	–	37,883
Total recognised income and expense for the period	–	–	–	9,829	–	37,883	–	47,712
At 30 September 2008	–	21,256	105,309	37,642	18,045	106,933	–	289,185

	Share capital *HK$'000 (note 28)*	Share premium *HK$'000 (note 29(i))*	Special reserve *HK$'000 (note 29(ii))*	Foreign currency translation reserve *HK$'000 (note 29(iii))*	Statutory reserve *HK$'000 (note 29(iv))*	Retained profits *HK$'000*	Proposed final dividend *HK$'000*	Total equity *HK$'000*
(Unaudited)								
At 1 April 2007	–	21,256	105,309	6,901	15,743	50,057	15,000	214,266
Exchange differences arising on translation of foreign operations	–	–	–	7,558	–	–	–	7,558
Net income recognised directly in equity	–	–	–	7,558	–	–	–	7,558
Profit for the period	–	–	–	–	–	26,243	–	26,243
Total recognised income and expense for the period	–	–	–	7,558	–	26,243	–	33,801
Transfers	–	–	–	–	1,176	(1,176)	–	–
At 30 September 2007	–	21,256	105,309	14,459	16,919	75,124	15,000	248,067

D. CONSOLIDATED CASH FLOW STATEMENTS

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	47,703	52,493	67,203	29,365	41,447
Adjustments for:					
Depreciation of property, plant and equipment	20,185	21,085	23,805	11,784	12,466
Amortisation of prepaid land lease payments	134	86	159	69	102
Loss/(gain) on disposals of property, plant and equipment	1,291	(14)	77	–	143
Loss on disposals of subsidiaries	8	–	–	–	–
Allowance for bad and doubtful debts	1,140	627	1,266	1,266	–
Bad debts written off	–	448	–	–	276
(Reversal of)/allowance for inventories	681	507	9	(106)	(111)
Finance lease charges	429	166	18	18	–
Interest expenses	6,932	9,816	6,823	3,588	2,255
Interest income	(904)	(1,077)	(1,719)	(775)	(981)
Operating profit before working capital changes	77,599	84,137	97,641	45,209	55,597
Decrease/(increase) in inventories	935	17,057	(26,270)	(11,815)	10,870
Increase in trade receivables	(31,671)	(3,949)	(19,636)	(34,204)	(32,726)
Increase in other receivables	(10,178)	(1,620)	(1,115)	(3,128)	(94)
Increase/(decrease) in trade payables	12,621	11,428	15,996	10,659	(19,168)
Increase in other payables	3,386	2,626	4,230	10,656	1,236
(Decrease)/increase in amount due to a director	(1,115)	2,939	–	(57)	–
(Increase)/decrease in amounts due from related companies	(220)	32	(240)	(240)	–
Cash generated from operations	51,357	112,650	70,606	17,080	15,715
Interest received	904	1,077	1,719	775	981
Income taxes paid	(1,747)	(1,438)	(11,291)	(8,229)	(3,260)
Income taxes refund	622	606	–	–	–
Net cash generated from operating activities	51,136	112,895	61,034	9,626	13,436
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	(10,186)	(22,031)	(17,547)	(14,203)	(5,102)
Addition of prepaid land lease payments	–	(3,526)	–	–	–
Proceeds from disposals of subsidiaries *(note 31 (a))*	(8)	(219)	–	–	–
Proceeds from disposals of property, plant and equipment	163	1,099	671	–	249
Increase in pledged bank deposits	(12,948)	(8,093)	(3,312)	(1,496)	(1,537)
Net cash used in investing activities	(22,979)	(32,770)	(20,188)	(15,699)	(6,390)

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	–	23,280	–	–	–
Share issue expenses paid	–	(2,024)	–	–	–
Raise/(repayment) of trust receipts loans, net	8,785	(36,974)	(2,802)	48,796	(10,798)
Bank loans raised	100,144	61,417	68,500	28,500	35,000
Repayment of bank loans	(39,209)	(103,634)	(81,950)	(57,934)	(2,947)
Repayment of finance lease payments	(5,403)	(2,833)	(1,013)	(1,013)	–
Advance from directors	29,864	23,597	9,929	5,937	–
Repayment to directors	(60,370)	(36,825)	(9,929)	(6,001)	–
Repayment from related companies	–	7,037	200	200	–
Dividends paid	(50,000)	(15,000)	(15,000)	–	(40,000)
Finance lease charges paid	(429)	(166)	(18)	(18)	–
Interest paid	(6,932)	(9,816)	(6,823)	(3,588)	(2,255)
Net cash (used in)/generated from financing activities	(23,550)	(91,941)	(38,906)	14,879	(21,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,607	(11,816)	1,940	8,806	(13,954)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,259	2,212	13,971	4,507	6,446
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	43,466	49,332	39,728	39,728	55,639
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	49,332	39,728	55,639	53,041	48,131
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Bank and cash balances	49,629	39,728	56,148	54,213	48,131
Bank overdrafts	(297)	–	(509)	(1,172)	–
	49,332	39,728	55,639	53,041	48,131

E. BALANCE SHEETS

	Note	At 31 March 2006	At 31 March 2007	At 31 March 2008	At 30 September 2008
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Company					
Non-current assets					
Investment in a subsidiary	*37*	141,631	141,631	141,631	141,631
Current assets					
Prepayments, deposits and other receivables		2,000	–	600	3,352
Due from subsidiaries	*37*	10,050	38,360	120,080	120,080
		12,050	38,360	120,680	123,432
Current liabilities					
Accruals and other payables		–	1,757	644	574
Due to a director	*24*	10,000	–	–	–
Due to subsidiaries	*37*	2,038	13,843	22,620	65,725
Dividend payable		–	–	40,000	–
		12,038	15,600	63,264	66,299
Net current assets		12	22,760	57,416	57,133
NET ASSETS		141,643	164,391	199,047	198,764
Capital and reserves					
Share capital	*28*	–	–	–	–
Reserves		141,643	164,391	199,047	198,764
TOTAL EQUITY		141,643	164,391	199,047	198,764

F. STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000 (note 28)*	Share premium *HK$'000 (note 29 (i))*	Special reserve *HK$'000 (note 29 (ii))*	(Accumulated loss)/ Retained profits *HK$'000*	Total *HK$'000*
Company					
Loss for the year	–	–	–	(38)	(38)
Total recognised income and expense for the year	–	–	–	(38)	(38)
Issue of share *(note 28(a))*	–	–	–	–	–
Arising from reorganisation	–	–	151,681	–	151,681
Interim dividend	–	–	(10,000)	–	(10,000)
At 31 March 2006	–	–	141,681	(38)	141,643
Share issue expenses *(note 28(c))*	–	(2,024)	–	–	(2,024)
Expense recognised directly in equity	–	(2,024)	–	–	(2,024)
Profit for the year	–	–	–	16,492	16,492
Total recognised income and expense for the year	–	(2,024)	–	16,492	14,468
Issue of shares *(note 28(c))*	–	23,280	–	–	23,280
Interim dividend	–	–	–	(15,000)	(15,000)
At 31 March 2007	–	21,256	141,681	1,454	164,391
Profit for the year	–	–	–	89,656	89,656
Total recognised income and expense for the year	–	–	–	89,656	89,656
Interim dividend	–	–	–	(40,000)	(40,000)
Final dividend of 2007	–	–	–	(15,000)	(15,000)
At 31 March 2008	–	21,256	141,681	36,110	199,047
Loss for the period	–	–	–	(283)	(283)
At 30 September 2008	–	21,256	141,681	35,827	198,764
(Unaudited)					
At 1 April 2007	–	21,256	141,681	1,454	164,391
Loss for the period	–	–	–	(11)	(11)
At 30 September 2007	–	21,256	141,681	1,443	164,380

G. NOTES TO FINANCIAL INFORMATION

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. Pursuant to a group reorganisation, as more fully explained in the paragraph headed "Corporate reorganisation" in Appendix VI to the Prospectus, the Company has become the holding company of the Group since 30 March 2006. 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.

The Company is an investment holding company and the principal activities of its subsidiaries at the date of this report are trading and manufacturing of corrugated paperboards and paper-based packaging products.

2. BASIS OF PRESENTATION OF FINANCIAL INFORMATION

The Reorganisation involved companies under common control of a director of the Company, Mr. Chong Kam Chau. On 30 March 2006, pursuant to the Reorganisation, the Company became the holding company of the Group as the entire interests of the Group's subsidiaries were transferred to the Company by way of swap of shares set out in note 28(b).

The Financial Information is prepared in accordance with the principles and procedures of merger accounting as set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA. The consolidated income statements and consolidated cash flow statements for the Relevant Periods include the results and cash flows of the combining entities as if the group structure as at 30 September 2008 had been in existence throughout the Relevant Periods or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination. The consolidated balance sheets of the Group as at 31 March 2006, 2007 and 2008 and 30 September 2008 have been prepared to present the assets and liabilities of the combining entities as if the group structure as at 30 September 2008 had been in existence as at those dates, except that the consolidated balance sheet as at 31 March 2006 has incorporated the balance sheets of Century Shiny, China Apex, Come Sure Huizhou and China Apex (Huizhou), subsidiaries which were disposed of in the year ended 31 March 2007. Details of the disposals are set out in note 31(a)(ii).

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

During the Relevant Periods, the Group has adopted all the HKFRSs that are relevant to its operations and effective for its accounting year beginning on 1 April 2008.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new and revised HKFRSs will not have material impact on the Financial Information of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information set out in this report has been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at their fair values.

The preparation of the Financial Information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 5 below.

The significant accounting policies applied in the preparation of the Financial Information are set out below:

(a) Merger accounting for business combination under common control

The consolidated financial statements incorporate the financial statements of the combining entities as if they had been combined from the date when they first came under the control of the controlling party.

The consolidated income statements and consolidated cash flow statements include the results and cash flows of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The consolidated balance sheets have been prepared to present the assets and liabilities of the combining entities as if the group structure as at 30 September 2008 had been in existence at each balance sheet date. The net assets of the combining entities are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

There was no adjustment made to the net assets nor the net profit or loss of any combining entities in order to achieve consistency of the Group's accounting policies.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Financial Information is presented in Hong Kong dollars ("HK$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the consolidated income statements.

(iii) Translation on consolidation

The results and financial position of all the group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each balance sheet of the group entities are translated at the closing rate at the date of that balance sheet;

– Income and expenses for each income statement of the group entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statements as part of the profit or loss on disposal.

(c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated income statements during the Relevant Periods in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	20 years
Leasehold improvements	5 – 20 years
Plant and machinery	5 – 10 years
Furniture, fixtures and equipment	5 – 10 years
Motor vehicles	5 – 10 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Construction in progress represents plant and machinery pending installation and is stated at cost less accumulated impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statements.

(d) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are included in the consolidated income statements for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in the consolidated income statements.

(e) Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the consolidated income statements on a straight-line basis over the lease term.

Consideration paid for land use rights is recorded as prepaid land lease payments and charged to the consolidated income statements on a straight-line basis over the term of relevant land use rights acquired.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the consolidated balance sheets as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

(f) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statements.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated income statements.

(i) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the consolidated income statements.

Impairment losses are reversed in subsequent periods and recognised in the consolidated income statements when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(j) Cash and cash equivalents

For the purpose of the consolidated cash flow statements, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below in (l) to (n).

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the consolidated income statements represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(q) Borrowing costs

All borrowing costs are recognised in the consolidated income statements in the period in which they are incurred.

(r) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(s) Related parties

A party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

No business segment information of the Group is presented as the Group's revenue, expenses, assets and liabilities are primarily attributable to the manufacturing and sales of corrugated paper-based packaging products.

No geographical segment information of the Group is presented as the Group's production and delivery activities are primarily operated in the PRC.

(u) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets, except club membership, investment properties, inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(w) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Financial Information. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the Financial Information when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and residual values and related depreciation charges for the Group's property, plant and equipment. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives or residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Allowance for inventories

Allowance for inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

(c) Allowance for bad and doubtful debts

The Group makes allowance for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and bad and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency 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 respective group entities, such as HK$, United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

The following table demonstrates the sensitivity to a change in the value of foreign currency against functional currency with all other variables held constant, of the Group's profit after tax. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rates. A positive number indicates an increase in profit after tax. If the foreign currency rate changes in opposite direction with all other variables held constant, there would be an equal and opposite impact on the Group's profit after tax.

	Foreign currency rate movement	**Increase/(decrease) in profit after tax** *HK$'000*
Year ended 31 March 2006		
– USD	+1%	179
– RMB	+10%	(130)
– HK$	–10%	(6,766)
– EUR	+10%	100
Year ended 31 March 2007		
– USD	+1%	99
– RMB	+10%	(245)
– HK$	–10%	(6,430)
Year ended 31 March 2008		
– USD	+1%	199
– RMB	+10%	(78)
– HK$	–10%	(11,190)
Six months ended 30 September 2008		
– USD	+1%	289
– RMB	+10%	(390)
– HK$	–10%	(8,315)

(b) Credit risk

The carrying amount of trade and other receivables, due from related companies and bank and cash balances including pledged bank deposits included in the consolidated balance sheets, represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. In addition, the directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts.

The Group has no significant concentration of credit risk, the percentage of trade receivables due from the Group's five largest customers in aggregate to the Group's total trade receivables net of allowance are 20%, 20%, 23% and 26% at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the financial liabilities is as follows:

	Group		
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2006			
Bank borrowings	191,585	1,640	1,527
Finance lease payables	2,976	1,031	–
Trade and other payables	63,195	–	–
Due to a director	18,150	–	–
At 31 March 2007			
Bank borrowings	106,784	3,684	3,587
Finance lease payables	1,031	–	–
Trade and other payables	77,236	–	–
Due to a related company	240	–	–
At 31 March 2008			
Bank borrowings	88,822	5,507	3,360
Trade and other payables	97,462	–	–
Dividend payable	40,000	–	–
At 30 September 2008			
Bank borrowings	112,828	4,584	1,818
Trade and other payables	79,530	–	–

	Company		
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2006			
Due to a director	10,000	–	–
Due to a subsidiary	2,038	–	–
At 31 March 2007			
Accruals and other payables	1,757	–	–
Due to a subsidiary	13,843	–	–
At 31 March 2008			
Accruals and other payables	644	–	–
Due to subsidiaries	22,620	–	–
Dividend payable	40,000	–	–
At 30 September 2008			
Accruals and other payables	574	–	–
Due to subsidiaries	65,725	–	–

(d) Interest rate risk

The Group's exposure to interest rate risk arises mainly from its bank deposits, bank borrowings and finance lease obligations. The Group's fixed bank deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risk. The directors of the Company consider the Group's exposure to interest rate risk on fixed bank deposits is not significant.

The Group's cash flow interest rate risk primarily relates to variable-rate bank deposits, bank borrowings and finance lease obligations.

The sensitivity analysis below has been determined based on the exposure to interest rate risk on its variable rate bank deposits and borrowings at the balance sheet date and prepared assuming the amount of bank deposits and borrowings outstanding at each balance sheet date was outstanding for the whole year.

If interest rates had been 100 basis points higher with all other variables held constant, the Group's profit after tax for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2008 would have been HK$1,694,000, HK$952,000, HK$673,000 and HK$471,000 lower respectively. If interest rates had been 100 basis points lower with all other variables held constant, these would be an equal and opposite impact on the Group's profit after tax.

The Group currently does not have any interest rate hedging policy in relation to interest rate risk. The directors of the Company monitor the Group's exposure in ongoing basis and will consider hedging interest rate risk should the need arise.

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheets approximate their respective fair values.

7. TURNOVER AND SEGMENTAL INFORMATION

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

Primary reporting format – business segments

No business segment information of the Group is presented as the Group's revenue, results, assets and liabilities are primarily attributable to the manufacturing and sale of corrugated paperboards and paper-based packaging products.

Secondary reporting format – geographical segments

No geographical segment information of the Group is presented as the Group's production and delivery activities are primarily operated in the PRC.

8. OTHER INCOME

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Interest income	904	1,077	1,719	775	981
Reversal of allowance for bad and doubtful debts	1,641	376	214	209	17
Rental income	18	18	17	9	1
Sundry income	403	290	462	378	82
	2,966	1,761	2,412	1,371	1,081

9. FINANCE COSTS

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Interest on bank borrowings	6,932	9,816	6,823	3,588	2,255
Finance lease charges	429	166	18	18	–
	7,361	9,982	6,841	3,606	2,255

10. INCOME TAX EXPENSE

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Hong Kong Profits Tax					
Current tax	67	914	2,452	1,550	314
(Over)/under-provision in previous years	(49)	85	326	–	–
	18	999	2,778	1,550	314
PRC enterprise income tax ("EIT")					
Current tax	1,435	1,700	4,020	1,910	2,650
Tax refund	(622)	(606)	–	–	–
Tax credit	–	–	(1,290)	(421)	–
Under-provision in previous years	–	40	–	–	–
	813	1,134	2,730	1,489	2,650
Deferred tax *(note 26)*	817	1,068	400	83	600
	1,648	3,201	5,908	3,122	3,564

Hong Kong Profits Tax is calculated at 17.5% for the years ended 31 March 2006, 2007 and 2008 and at 16.5% for the six months ended 30 September 2008 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 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 Relevant Periods are earned by the Macau 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 Macau 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.

Pursuant to relevant laws and regulations in the PRC, Come Sure Shenzhen is subject to a reduced enterprise income tax rate of 15% for the period from 1 April 2005 to 31 December 2007. In addition, since the value of exported goods is over 70% of the total value of goods for the year, Come Sure Shenzhen is qualified as an 'Export Oriented Enterprise' ("EOE") and is entitled for a reduced enterprise income tax rate of 10% for the period from 1 April 2005 to 31 December 2006 and tax refunds of approximately HK$622,000 and HK$606,000 were received for such reduction of tax rate during the years ended 31 March 2006 and 2007 respectively. 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 EOE described above is no longer provided in the new EIT Law. Pursuant to Notice [2007] 39 "Notice on Implementation of Enterprise Income Tax Transitional Preferential Treatment" 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 Shenzhen would be 18% in calendar year 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% for 2012 onwards. The applicable tax rates for Come Sure Shenzhen during the Relevant Periods were as follows:

Period from 1 April 2005 to 31 December 2006	10%
Period from 1 January 2007 to 31 December 2007	15%
Period from 1 January 2008 to 30 September 2008	18%

The tax credits of approximately HK$1,290,000 and HK$421,000 (unaudited) for the year ended 31 March 2008 and the six months ended 30 September 2007, respectively, were granted by Shenzhen tax bureau for the purchase of homemade machinery for production pursuant to the Notice "CaiShuiZi〔2000〕No.49 Issue of Tax Credit for Enterprise Income Tax for Homemade Equipment Purchased by Enterprises with Foreign Investment and Foreign Enterprises"《關於外商投資企業和外國企業購買國產設備投資抵免企業所得稅有關問題的通知》(財稅字〔2000〕49號) to offset the EIT of Come Sure Shenzhen.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	Year ended 31 March			Six months ended 30 September	
	2006	**2007**	**2008**	**2007**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit before tax	47,703	52,493	67,203	29,365	41,447
Hong Kong Profits Tax rate	17.5%	17.5%	17.5%	17.5%	16.5%
Tax at Hong Kong Profits Tax rate	8,348	9,186	11,761	5,139	6,839
Tax effect of income that is not taxable *(note i)*	(125)	(35)	(6)	(2)	(914)
Tax effect of expenses that are not deductible *(note ii)*	401	402	991	1,066	140
Tax effect of tax losses not recognised	9	–	–	–	390
Tax effect of utilisation of tax losses not previously recognised	(394)	(328)	–	–	–
Tax effect of temporary differences not recognised *(note iii)*	309	(70)	(3)	159	(48)
Tax effect of profit that is under tax exemption/tax concession	(5,895)	(5,133)	(5,874)	(3,139)	(3,443)
Under/(over)-provision in previous years	(671)	(481)	326	–	–
(Under)/over-provision for the year	24	25	(579)	245	415
Effect of different tax rates of subsidiaries	(358)	(365)	(708)	(346)	185
Income tax expense	1,648	3,201	5,908	3,122	3,564

Notes:

(i) Tax effect of income that is not taxable represented the non-taxable income, such as interest income derived from deposits placed in Hong Kong with an authorised institution by companies which are subject to Hong Kong profits tax, dividend income and the recovery of allowance for doubtful debts of which the allowance was non-deductible in previous years of assessment, at the applicable tax rate for tax reconciliation purpose.

(ii) Tax effect of expenses that are not deductible represented the non-deductible expenses, such as donation, expenses of non-trading nature, interest expenses attributable for non-income assets and the tax penalty charge, at the applicable tax rate for tax reconciliation purpose.

(iii) Tax effect of temporary differences not recognised represented the temporary differences arisen from accelerated tax depreciation not recognised at the applicable tax rate for tax reconciliation purpose.

11. PROFIT FOR THE YEAR/PERIOD

The Group's profit for the year/period is stated after charging/(crediting) the following:

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditors' remuneration	750	687	862	50	202
Cost of inventories sold	466,293	517,840	524,737	271,222	312,799
Depreciation	20,185	21,085	23,805	11,784	12,466
Operating lease charges in respect of land and buildings	10,408	10,520	10,962	5,326	6,096
Net loss/(gain) on disposals of property, plant and equipment	1,291	(14)	77	–	143
Loss on disposals of subsidiaries	8	–	–	–	–
(Reversal of)/allowance for inventories (included in cost of inventories sold)	681	507	9	(106)	(111)
Allowance for bad and doubtful debts	1,140	627	1,266	1,266	–
Bad debts written off	–	448	–	–	276
Reversal of allowance for bad and doubtful debts	(1,641)	(376)	(214)	(209)	(17)
Net foreign exchange loss	2,824	3,722	10,552	2,166	569
Staff costs					
Directors' emoluments *(note 12 (a))*	2,974	3,768	3,156	1,579	1,609
Other staff salaries, bonus and allowances	30,880	32,534	34,220	16,957	17,504
Retirement benefits scheme contributions (excluding directors)	2,078	2,070	2,083	912	1,965
	35,932	38,372	39,459	19,448	21,078

Cost of inventories sold includes staff costs, depreciation and operating lease charges totalled approximately HK$46,746,000, HK$48,667,000, HK$52,141,000, HK$26,575,000 (unaudited) and HK$27,013,000 which are included in the amounts disclosed separately above for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2007 and 2008, respectively.

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

Details of emoluments paid by the Group to the directors of the Company who are also the key management personnel of the Company during the Relevant Periods are as follows:

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Directors					
– fees	–	–	–	–	–
– salaries and other allowances	2,700	3,538	2,985	1,561	1,591
– discretionary bonus	265	195	135	–	–
– retirement benefits scheme contributions	9	35	36	18	18
	2,974	3,768	3,156	1,579	1,609

The emoluments of each director of the Company during the Relevant Periods are as follows:

	Fees	Salaries and other allowances	Discretionary bonus	Retirement benefits scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Name of director					
Mr. Chong Kam Chau	–	1,320	60	–	1,380
Mr. Chong Wa Pan	–	360	30	–	390
Mr. Chong Wa Ching	–	240	20	–	260
Mr. Chong Wah Lam	–	180	15	9	204
Mr. Yiu Ho Chi, Stephen	–	600	140	–	740
Total for the year ended 31 March 2006	–	2,700	265	9	2,974
Mr. Chong Kam Chau	–	1,463	60	–	1,523
Mr. Chong Wa Pan	–	628	–	12	640
Mr. Chong Wa Ching	–	419	35	–	454
Mr. Chong Wah Lam	–	390	–	11	401
Mr. Yiu Ho Chi, Stephen	–	638	100	12	750
Total for the year ended 31 March 2007	–	3,538	195	35	3,768
Mr. Chong Kam Chau	–	1,218	60	–	1,278
Mr. Chong Wa Pan	–	653	23	12	688
Mr. Chong Wa Ching	–	104	–	–	104
Mr. Chong Wah Lam	–	315	25	12	352
Mr. Yiu Ho Chi, Stephen	–	695	27	12	734
Total for the year ended 31 March 2008	–	2,985	135	36	3,156

	Fees	Salaries and other allowances	Discretionary bonus	Retirement benefits scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Name of director					
Mr. Chong Kam Chau	–	660	–	–	660
Mr. Chong Wa Pan	–	318	–	6	324
Mr. Chong Wa Ching	–	100	–	–	100
Mr. Chong Wah Lam	–	165	–	6	171
Mr. Yiu Ho Chi, Stephen	–	318	–	6	324
Total for the six months ended 30 September 2007 (unaudited)	–	1,561	–	18	1,579
Mr. Chong Kam Chau	–	660	–	–	660
Mr. Chong Wa Pan	–	300	–	6	306
Mr. Chong Wa Ching	–	180	–	–	180
Mr. Chong Wah Lam	–	151	–	6	157
Mr. Yiu Ho Chi, Stephen	–	300	–	6	306
Total for the six months ended 30 September 2008	–	1,591	–	18	1,609

There was no arrangement under which a director waived or agreed to waive any emoluments during the Relevant Periods.

(b) Employee's emoluments

The five highest paid individuals in the Group included 3, 4, 3, 3 and 3 directors for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2007 and 2008, respectively. Details of those emoluments have been disclosed above. The emoluments paid to the remaining highest paid employees during the Relevant Periods are as follows:

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries and other allowances	692	359	965	450	670
Discretionary bonus	245	130	80	–	–
Retirement benefits scheme contributions	24	–	12	12	6
	961	489	1,057	462	676

The emoluments of the remaining highest paid employees fell within the following band:

	Number of individuals				
	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
Nil to HK$1,000,000	2	1	2	2	2

(c) During the Relevant Periods, no emoluments were paid by the Group to any of the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. (LOSS)/PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The (loss)/profit attributable to equity holders of the Company included approximately loss of HK$38,000, profit of HK$16,492,000, profit of HK$89,656,000, loss of HK$11,000 (unaudited) and loss of HK$283,000 for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2007 and 2008, respectively, which have been dealt with in the Financial Information.

14. DIVIDENDS

During the Relevant Periods, CSH and the Company had distributed dividends to its then shareholders and shareholders respectively as follows:

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interim	60,000	15,000	40,000	–	–
Final – proposed	–	15,000	–	–	–
	60,000	30,000	40,000	–	–

For the interim dividends of HK$60,000,000 declared for the year ended 31 March 2006, HK$50,000,000 were settled during the year ended 31 March 2006 and the remaining amount of HK$10,000,000 were settled through the current account with a shareholder, who is also a director of the Company.

For the interim dividends of HK$15,000,000 declared for the year ended 31 March 2007, they were fully settled during the year ended 31 March 2007. For the proposed final dividends of HK$15,000,000 for the year ended 31 March 2007, they were not recognised as liabilities at 31 March 2007 and were settled during the year ended 31 March 2008.

For the interim dividends of HK$40,000,000 declared for the year ended 31 March 2008, they were fully paid to shareholders of the Company during the six months ended 30 September 2008.

The rates of dividends and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this report.

15. EARNINGS PER SHARE

The calculation of the basic earnings per share for the Relevant Periods is based on the consolidated profit for the year/period for each of the Relevant Periods and the weighted average number of 188,265,000, 206,486,700, 210,000,000, 210,000,000 and 210,000,000 shares for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2007 and 2008, respectively. Earnings per share is calculated assuming the issuance of the 209,990,000 shares to be issued pursuant to the capitalisation issue as more fully described in the section headed "Written resolutions of the sole Shareholder passed on 5 February 2009" in Appendix VI to the Prospectus.

No diluted earnings per share are presented as the Group did not have any dilutive potential ordinary shares during the Relevant Periods.

16. PREPAID LAND LEASE PAYMENTS

	Year ended 31 March			Six months ended 30 September
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of year/period	1,781	1,647	5,087	5,378
Additions	–	3,526	–	–
Amortisation of prepaid land lease payments	(134)	(86)	(159)	(102)
Exchange differences	–	–	450	143
At end of year/period	1,647	5,087	5,378	5,419
Current portion	(40)	(393)	(215)	(222)
Non-current portion	1,607	4,694	5,163	5,197

The Group's prepaid land lease payments are analysed as follows:

	At 31 March			At 30 September
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Leasehold land in Hong Kong under 39 years (medium-term) leases	1,647	1,607	1,568	1,546
Land use rights in PRC under 35 years (medium-term) leases	–	3,480	3,810	3,873
	1,647	5,087	5,378	5,419

The leasehold land in Hong Kong are pledged as security for the banking facilities granted to the Group as at 31 March 2006, 2007 and 2008 and 30 September 2008 (note 30).

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost							
At 1 April 2005	15,103	9,637	180,121	4,025	11,596	132	220,614
Additions	–	4,779	5,178	168	61	–	10,186
Transfers	–	135	–	–	–	(135)	–
Disposals	(3)	–	(6,385)	–	(153)	–	(6,541)
Exchange differences	264	118	2,440	–	169	3	2,994
At 31 March 2006	15,364	14,669	181,354	4,193	11,673	–	227,253
Additions	310	912	17,177	1,002	2,630	–	22,031
Disposals	–	–	–	–	(6,379)	–	(6,379)
Exchange differences	559	440	5,084	–	353	–	6,436
At 31 March 2007	16,233	16,021	203,615	5,195	8,277	–	249,341
Additions	–	3,879	13,557	111	–	–	17,547
Disposals	–	–	(395)	–	(933)	–	(1,328)
Exchange differences	1,470	1,140	13,327	–	561	–	16,498
At 31 March 2008	17,703	21,040	230,104	5,306	7,905	–	282,058
Additions	–	4,083	378	104	537	–	5,102
Disposals	–	(2,909)	(860)	–	(370)	–	(4,139)
Exchange differences	405	661	6,409	–	223	–	7,698
At 30 September 2008	18,108	22,875	236,031	5,410	8,295	–	290,719
Accumulated depreciation and impairment							
At 1 April 2005	5,965	3,431	62,136	2,772	7,974	–	82,278
Charge for the year	623	2,230	16,196	246	890	–	20,185
Disposals	(1)	–	(4,971)	–	(115)	–	(5,087)
Exchange differences	94	75	1,105	–	128	–	1,402
At 31 March 2006	6,681	5,736	74,466	3,018	8,877	–	98,778
Charge for the year	647	2,519	16,741	334	844	–	21,085
Disposals	–	–	–	–	(5,044)	–	(5,044)
Exchange differences	224	238	2,576	–	289	–	3,327
At 31 March 2007	7,552	8,493	93,783	3,352	4,966	–	118,146
Charge for the year	535	2,754	19,464	424	628	–	23,805
Disposals	–	–	(181)	–	(399)	–	(580)
Exchange differences	422	865	7,971	–	432	–	9,690
At 31 March 2008	8,509	12,112	121,037	3,776	5,627	–	151,061
Charge for the period	235	1,485	10,234	205	307	–	12,466
Disposals	–	(2,879)	(498)	–	(370)	–	(3,747)
Exchange differences	40	404	3,798	–	180	–	4,422
At 30 September 2008	8,784	11,122	134,571	3,981	5,744	–	164,202
Carrying amount							
At 31 March 2006	8,683	8,933	106,888	1,175	2,796	–	128,475
At 31 March 2007	8,681	7,528	109,832	1,843	3,311	–	131,195
At 31 March 2008	9,194	8,928	109,067	1,530	2,278	–	130,997
At 30 September 2008	9,324	11,753	101,460	1,429	2,551	–	126,517

The Group's buildings at their carrying amounts are analysed as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Buildings in Hong Kong	–	–	–	–
Buildings in the PRC	8,683	8,681	9,194	9,324
	8,683	8,681	9,194	9,324

The buildings situated in Hong Kong, which have been fully depreciated before 1 April 2005, are pledged as security for the banking facilities granted to the Group as at 31 March 2006, 2007 and 2008 and 30 September 2008 (note 30).

The carrying amounts of the Group's plant and machinery held under finance leases amounted to approximately HK$19,282,000, HK$11,269,000, HK$Nil and HK$Nil as at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively.

18. INVESTMENT PROPERTIES

Valuations were based on current prices in an active market. No valuation was carried out by an independent valuer.

The investment properties were situated in Hong Kong under long leases.

19. INVENTORIES

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Raw materials	62,915	45,314	70,773	57,313
Work in progress	491	983	2,528	2,653
Finished goods	5,174	4,719	3,976	6,552
	68,580	51,016	77,277	66,518

20. TRADE AND OTHER 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:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables:				
Undue	82,048	98,293	112,582	159,067
Overdue:				
1 to 30 days	29,703	24,568	24,623	24,304
31 to 90 days	17,216	20,461	20,179	9,960
91 to 365 days	13,571	4,136	4,935	3,037
Over 1 year	4,585	931	4,344	2,663
	147,123	148,389	166,663	199,031
Less: Allowance for receivables	(5,206)	(3,598)	(3,502)	(3,420)
	141,917	144,791	163,161	195,611
Other receivables:				
Deposits paid	9,672	3,823	2,685	921
Prepayments	2,373	917	1,680	4,406
Others	1,485	3,368	4,858	3,990
	13,530	8,108	9,223	9,317
	155,447	152,899	172,384	204,928

As of 31 March 2006, 2007 and 2008 and 30 September 2008, trade receivables of approximately HK$59,869,000, HK$46,851,000, HK$50,579,000 and HK$36,544,000 were past due but not impaired. These relate to a number of independent customers. The ageing analysis of these trade receivables is as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Overdue:				
1 to 90 days	46,919	44,410	44,802	34,258
91 to 365 days	12,478	2,142	3,808	2,220
Over 1 year but within 2 years	472	299	1,969	66
	59,869	46,851	50,579	36,544

Movement of the allowance for bad and doubtful debts are as follows:

	Year ended 31 March			Six months ended 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of year/period	5,662	5,206	3,598	3,502
Allowance for bad and doubtful debts for undue trade receivables	–	353	–	–
Allowance for bad and doubtful debts for overdue trade receivables	1,140	274	1,266	–
Reversal of allowance made	(1,641)	(376)	(214)	(17)
Write off as bad debts	–	(1,965)	(1,345)	(129)
Exchange differences	45	106	197	64
At end of year/period	5,206	3,598	3,502	3,420

The carrying amounts of the trade receivables are denominated in the following currencies:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
HK$	114,939	99,874	96,518	102,688
USD	1,313	5,972	17,795	24,208
RMB	25,665	38,945	48,848	68,715
	141,917	144,791	163,161	195,611

21. DUE FROM/(TO) RELATED COMPANIES

(a) Particulars of the amounts due from related companies are as follows:

						Maximum amount outstanding during the year ended 31 March			during the six months ended 30 September
Name of related company	At 1 April 2005	At 31 March 2006	2007	2008	At 30 September 2008	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Wholly Rise Limited ("Wholly Rise") *(Note i)*	3,300	3,480	–	–	–	3,480	3,480	–	–
Come Sure Trading Limited ("Come Sure Trading") *(Note i)*	3,039	3,079	–	–	–	3,079	3,079	–	–
China Apex *(Note ii)*	–	–	200	–	–	N/A	200	200	–
	6,339	6,559	200	–	–				

Notes:

(i) Mr. Chong Kam Chau and Mr. Chong Wa Pan, directors of the Company, have beneficial interests in these companies.

(ii) Mr. Chong Kam Chau, a director of the Company, has beneficial interests in this company.

The amounts due from related companies are non-trade in nature, unsecured, interest free and have no fixed repayment terms.

(b) Particulars of the amount due to a related company is as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Wholly Rise	–	240	–	–

The amount due to a related company is trade in nature, unsecured, interest free and has no fixed repayment terms.

22. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group (note 30).

The fixed deposits including the pledged bank deposits of HK$31,993,000, HK$34,529,000, HK$37,841,000 and HK$39,378,000 are arranged at fixed rates for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2008, respectively and carry average interest rates of 3.00% per annum, 3.06% per annum, 2.94% per annum and 3.49% per annum respectively and therefore subject to fair value interest rate risk.

Bank and cash balances and pledged bank deposits amounted to approximately HK$28,167,000, HK$33,575,000, HK$50,168,000 and HK$52,308,000 as at 31 March 2006, 2007 and 2008 and 30 September 2008 respectively, were denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

23. TRADE AND OTHER 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.

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

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables:				
0 to 30 days	34,236	45,523	58,407	44,098
31 days to 90 days	6,023	6,271	6,924	4,876
Over 90 days	953	846	3,305	494
	41,212	52,640	68,636	49,468
Other payables:				
Accrued expenses	11,876	12,198	11,475	14,260
Receipts in advance from customers	185	1,159	2,073	1,031
Provision for social security fund	5,104	6,545	8,318	8,854
Others	4,818	4,694	6,960	5,917
	21,983	24,596	28,826	30,062
	63,195	77,236	97,462	79,530

The carrying amounts of trade payables are denominated in the following currencies:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
HK$	25,087	22,624	36,016	35,605
USD	3,464	–	1,149	–
RMB	12,661	30,016	31,471	13,863
	41,212	52,640	68,636	49,468

24. DUE TO A DIRECTOR

At 31 March 2006, the amount due to a director, Mr. Chong Kam Chau is unsecured, interest free and has no fixed repayment terms.

25. SHORT-TERM BANK BORROWINGS

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank overdrafts	297	–	509	–
Trust receipts loans	82,240	45,266	42,464	31,666
Short-term bank loans	102,596	55,500	39,000	74,000
	185,133	100,766	81,973	105,666

The carrying amounts of short-term bank borrowings are denominated in the following currencies:

	HK$	RMB	USD	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2006				
Bank overdrafts	297	–	–	297
Trust receipts loans	74,764	7,132	344	82,240
Short-term bank loans	80,000	22,596	–	102,596
	155,061	29,728	344	185,133
At 31 March 2007				
Bank overdrafts	–	–	–	–
Trust receipts loans	43,006	–	2,260	45,266
Short-term bank loans	20,000	35,500	–	55,500
	63,006	35,500	2,260	100,766
At 31 March 2008				
Bank overdrafts	509	–	–	509
Trust receipts loans	42,464	–	–	42,464
Short-term bank loans	39,000	–	–	39,000
	81,973	–	–	81,973
At 30 September 2008				
Bank overdrafts	–	–	–	–
Trust receipts loans	29,228	–	2,438	31,666
Short-term bank loans	74,000	–	–	74,000
	103,228	–	2,438	105,666

At 31 March 2006, 2007 and 2008 and 30 September 2008, all short-term bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The average interest rates were 6.03% per annum, 6.01% per annum, 3.47% per annum and 5.67% per annum at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively.

The short-term bank borrowings are secured by the following:

(i) bank deposits, prepaid land lease payments and buildings situated in Hong Kong of the Group as set out in note 30;

(ii) corporate guarantees given by certain subsidiaries of the Company;

(iii) personal guarantees given by the directors, Mr. Chong Kam Chau and Mr. Chong Wa Pan;

(iv) bank deposits of approximately HK$5 million given by a director, Mr. Chong Kam Chau as at 31 March 2006;

(v) corporate guarantees given by a related company, Come Sure Trading; and

(vi) certain properties owned by a director, Mr. Chong Kam Chau and the related companies, Come Sure Trading and Wholly Rise.

26. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group.

	Accelerated tax depreciation	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2005	3,527	(3,527)	–
(Credit)/charge to the consolidated income statement	(187)	1,004	817
At 31 March 2006	3,340	(2,523)	817
Charge to the consolidated income statement	605	463	1,068
At 31 March 2007	3,945	(2,060)	1,885
(Credit)/charge to the consolidated income statement	(583)	983	400
At 31 March 2008	3,362	(1,077)	2,285
(Credit)/charge to the consolidated income statement	(321)	921	600
At 30 September 2008	3,041	(156)	2,885

The following is the analysis of the deferred tax balances (after offset) for consolidated balance sheet purposes:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deferred tax liabilities	3,340	3,945	3,362	3,041
Deferred tax assets	(2,523)	(2,060)	(1,077)	(156)
	817	1,885	2,285	2,885

The Group had unused tax losses of approximately HK$16,302,000, HK$11,786,000, HK$6,167,000 and HK$3,320,000 available for offset against future profits at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively. A deferred tax asset has been recognised in respect of HK$14,413,000, HK$11,772,000, HK$6,153,000 and HK$943,000 of such losses as at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively. No deferred tax asset has been recognised in respect of the remaining HK$1,889,000, HK$14,000, HK$14,000 and HK$2,377,000 of tax losses at the respective balance sheet dates due to the unpredictability of future profit streams.

27. LONG TERM BORROWINGS

	2006	At 31 March 2007	2008	At 30 September 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank loans *(Note a)*	6,046	10,925	13,975	11,028
Finance lease payables *(Note b)*	3,846	1,013	–	–
	9,892	11,938	13,975	11,028
Less: Amount due for settlement within 12 months (shown under current liabilities)	(5,869)	(5,047)	(5,539)	(5,185)
Amount due for settlement after 12 months	4,023	6,891	8,436	5,843

The carrying amounts of the Group's long term borrowings are denominated in the following currencies:

	HK$	USD	Total
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2006			
Bank loans	4,917	1,129	6,046
Finance lease payables	–	3,846	3,846
	4,917	4,975	9,892
At 31 March 2007			
Bank loans	10,925	–	10,925
Finance lease payables	–	1,013	1,013
	10,925	1,013	11,938
At 31 March 2008			
Bank loans	13,975	–	13,975
Finance lease payables	–	–	–
	13,975	–	13,975
At 30 September 2008			
Bank loans	11,028	–	11,028
Finance lease payables	–	–	–
	11,028	–	11,028

Notes:

(a) The bank loans are repayable as follows:

	2006	At 31 March 2007	2008	At 30 September 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	3,039	4,034	5,539	5,185
In the second year	1,534	3,413	5,185	4,074
In the third to fifth years, inclusive	1,473	3,478	3,251	1,769
	6,046	10,925	13,975	11,028

The bank loans are arranged at floating rates and expose the Group to cash flow interest rate risk. The average interest rates were 6.25% per annum, 5.65% per annum, 3.37% per annum and 5.70% per annum at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively.

The bank loans were secured by the following:

(i) personal guarantees given by the directors, Mr. Chong Kam Chau and Mr. Chong Wa Pan;

(ii) corporate guarantees given by certain subsidiaries of the Company;

(iii) corporate guarantees given by a related company, Come Sure Trading;

(iv) bank deposits, prepaid land lease payments and buildings situated in Hong Kong of the Group as set out in note 30; and

(v) certain properties owned by the related companies, Come Sure Trading and Wholly Rise.

(b) Finance lease payables were repayable as follows:

	Minimum lease payments				Present value of minimum lease payments			
	At 31 March			At 30 September	At 31 March			At 30 September
	2006	2007	2008	2008	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	2,976	1,031	–	–	2,830	1,013	–	–
In the second to fifth years, inclusive	1,031	–	–	–	1,016	–	–	–
	4,007	1,031	–	–				
Less: Future finance charges	(161)	(18)	–	–				
Present value of lease obligations	3,846	1,013	–	–	3,846	1,013	–	–
Less: Amount due for settlement within 12 months (shown under current liabilities)					(2,830)	(1,013)	–	–
Amount due for settlement after 12 months					1,016	–	–	–

It is the Group's policy to lease certain of its plant and machinery under finance leases. The lease terms are 4 years. The finance leases are arranged at floating rates and expose the Group to cash flow interest rate risk. The average borrowing rates were 6.62% per annum, 7.08% per annum, 4.82% per annum and Nil% per annum at 31 March 2006, 2007 and 2008 and 30 September 2008, respectively. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease payables are secured by the lessor's title to the leased assets (note 17).

28. SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number of shares	*Amount HK$*	*Number of shares*	*Amount HK$*
Ordinary shares of HK$0.01 each				
– on incorporation *(Note a)*	38,000,000	380,000	1	–
– issue pursuant to the Reorganisation *(Note b)*	–	–	8,964	90
Balance at 31 March 2006	38,000,000	380,000	8,965	90
– issue of shares *(Note c)*	–	–	1,035	10
Balance at 31 March 2007 and 2008 and 30 September 2008	38,000,000	380,000	10,000	100

Notes:

(a) The Company was incorporated on 10 March 2006 with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each, one of which was issued and allotted nil paid to the subscriber of the Company. On the same day, the subscriber transferred the one nil paid subscriber's share to Perfect Group Version Limited ("Perfect Group") at a consideration of HK$0.01.

(b) On 30 March 2006, 8,964 new shares of HK0.01 each, all credited as fully paid, were issued and allotted to Perfect Group in exchange of one share of US$1.00 each in the issued share capital of Jumbo Match Limited pursuant to the Reorganisation.

(c) Pursuant to a subscription agreement entered into between, inter alia, the Company and Rich Growth Investments Limited ("Rich Growth") dated 16 May 2006, the Company issued and allotted 1,035 shares of HK$0.01 each, all credited as fully paid, to Rich Growth at a consideration of HK$23,280,000 on 30 May 2006. The premium on the issue of shares, net of share issue expenses, amounting to approximately HK$21,256,000, was credited to the Company's share premium account.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group currently does not have any specific policies and processes for managing capital.

29. RESERVES

Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Special reserve

The special reserve of the Group arose as a result of the Reorganisation implemented and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired pursuant to the Reorganisation, over the nominal value of the share capital of the Company issued in exchange therefore.

The special reserve of the Company arose as a result of the Reorganisation implemented and represented the excess of the then consolidated net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(b).

(iv) Statutory reserve

The statutory reserve which is non-distributable, is appropriated from the profit after tax of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

30. PLEDGE OF ASSETS

At the balance sheet dates, the following assets of the Group were pledged to banks to secure the general banking facilities granted to the Group:

	At 31 March			At 30 September
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank deposits *(note 22)*	26,436	34,529	37,841	39,378
Prepaid land lease payments *(note 16)*	1,647	1,607	1,568	1,546
Buildings in Hong Kong *(note 17)*	–	–	–	–
	28,083	36,136	39,409	40,924

31. NOTES TO THE CONSOLIDATED CASH FLOWS STATEMENTS

(a) Disposals of subsidiaries

(i) On 30 March 2006 and 31 March 2006, Sunny Force and Dynamic Develop, wholly-owned subsidiaries of the Group, were disposed of at a total consideration of HK$9 to a third party.

Net assets at the dates of disposals were as follows:

	HK$'000
Bank and cash balances	8
Net assets disposed of	8
Loss on disposals of subsidiaries	(8)
Total consideration – satisfied by cash	–
Net cash outflow arising on disposals:	
Cash consideration received	–
Cash and cash equivalents disposed of	(8)
	(8)

(ii) On 28 November 2006, Century Shiny, China Apex, Come Sure Huizhou and China Apex (Huizhou), wholly-owned subsidiaries of the Group, were disposed of at a total consideration of approximately HK$1,642,000 to a director, Mr. Chong Kam Chau. Century Shiny and China Apex are the investment holding companies of Come Sure Huizhou and China Apex (Huizhou) respectively. In the opinion of the Directors, the carrying amount of these companies were not material at the date of their disposal.

Net assets at the date of disposal were as follows:

	HK$'000
Prepayment, deposits and other receivables	7,042
Bank and cash balances	219
Due to a director	(5,606)
Other payables	(13)
Net assets disposed of	1,642
Loss on disposal of subsidiaries	–
Total consideration – satisfied through the current account with Mr. Chong Kam Chau	1,642
Net cash outflow arising on disposal:	
Cash consideration received	–
Cash and cash equivalents disposed of	(219)
	(219)

(b) Major non-cash transactions

(i) During the year ended 31 March 2006, the Company distributed dividends of HK$10,000,000 to a shareholder, who was also a director, through the current account of the director.

(ii) During the year ended 31 March 2007, the Group disposed of four wholly-owned subsidiaries to a director at a consideration of approximately HK$1,642,000 as mentioned at note 31(a)(ii) above. Such consideration was settled through the current account of the director.

(iii) During the year ended 31 March 2007, the Group disposed of a motor vehicle to a related company, Century Shiny at a consideration of approximately HK$50,000. Such consideration was settled through the current account of a director.

(iv) During the year ended 31 March 2007, the Group disposed of a motor vehicle to a related company, China Apex at a consideration of HK$200,000. Such consideration was settled through the current account of the related company.

32. RETIREMENT BENEFITS SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

The subsidiaries of the Group incorporated in Macau make monthly contributions to the social security fund managed by the relevant authority of the local government, which undertake the retirement obligations of the Group's employees in Macau. The Group has no obligation for payment of retirement benefits beyond the monthly contributions. The contributions payable are charged as an expense to the consolidated income statements as and when incurred.

The total contributions incurred in this connection for the years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2007 and 2008 were approximately HK$2,087,000, HK$2,105,000, HK$2,119,000, HK$930,000 (unaudited) and HK$1,983,000 respectively. No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

33. OPERATING LEASE COMMITMENTS

As lessor

The investment properties held have committed tenants for the next year at fixed rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	11	11	–	–

As lessee

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings and motor vehicles are payable as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	19,808	11,872	13,281	12,207
In the second to fifth years, inclusive	45,316	47,129	51,790	42,365
After five years	115,004	107,822	105,538	–
	180,128	166,823	170,609	54,572

Leases are negotiated for terms ranged from 2 to 19 years and rentals are fixed over the lease terms and do not include contingent rentals.

The operating lease commitments in respect of land use rights of approximately HK$8,424,000, included in the total future minimum lease payments at 31 March 2006 was released following the disposals of Come Sure Huizhou and China Apex (Huizhou) on 28 November 2006.

On 20 May 2008, two new tenancy agreements were signed by the Group for replacing the previous tenancy agreements for the leases of two manufacturing plants in the PRC. According to these new tenancy agreements, the lease terms were reduced from 16 years to 5 years and from 19 years to 5 years, respectively and the monthly rentals were reduced. With the effect of these new tenancy agreements, the total future minimum lease payments as at 31 March 2008 were reduced by approximately HK$1,516,000 for payments within one year, by HK$6,931,000 for payments in the second to fifth year and by HK$104,136,000 for payments after five years.

The Company had no significant operating lease commitments at 31 March 2006, 2007 and 2008 and 30 September 2008.

34. CAPITAL COMMITMENTS

The Group's capital commitments are as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure contracted but not provided for:				
Property, plant and equipment	13,371	7,875	1,030	185

The Company had no significant capital commitments at 31 March 2006, 2007 and 2008 and 30 September 2008.

35. CONTINGENT LIABILITIES

The Group and the Company had no significant contingent liabilities at 31 March 2006, 2007 and 2008 and 30 September 2008.

36. RELATED PARTY TRANSACTIONS

Transactions between the companies comprising the Group have been eliminated on combination and are not disclosed. Details of transactions between the Group and other related parties are disclosed below.

(a) The Group had the following transactions with its related parties during the Relevant Periods:

	Year ended 31 March			Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Rental expenses in respect of land and buildings paid to Wholly Rise *(Note i)*	840	240	180	90	90
Sale of motor vehicles to related companies,					
– China Apex *(Note ii)*	–	200	–	–	–
– Century Shiny *(Note iii)*	–	50	–	–	–

Notes:

(i) Rental expenses were charged on mutual agreement.

(ii) A loss of approximately HK$39,000 was resulted from the disposal.

(iii) A gain of approximately HK$50,000 was resulted from the disposal.

(b) The remuneration of the directors (representing key management personnel) during the Relevant Periods are set out in note 12.

(c) During the Relevant Periods, certain of the Group's banking facilities were secured by personal guarantees given by the directors, corporate guarantees given by a related company, bank deposits of a director and properties owned by a director and the related companies. Details are set out in notes 25 and 27. Such securities and guarantees will be fully released upon the listing of the Company's shares on the Stock Exchange and replaced by corporate guarantees and/or secured by assets owned by the Group.

(d) On 28 November 2006, the Group disposed of the wholly-owned subsidiaries, Century Shiny, China Apex, Come Sure Huizhou and China Apex (Huizhou) with total net assets value of approximately HK$1,642,000 at a total consideration of approximately HK$1,642,000 to a director, Mr. Chong Kam Chau.

(e) The Group had the following balances with related parties:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due from related companies	6,559	200	–	–
Due to a related company	–	240	–	–
Due to a director	18,150	–	–	–

37. INVESTMENT IN A SUBSIDIARY

	Company			
	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted investment, at cost	141,631	141,631	141,631	141,631

The investment in a subsidiary at 31 March 2006, 2007 and 2008 and 30 September 2008 represents the Company's 100% equity interest in Jumbo Match Limited which is incorporated in the British Virgin Islands and acted as an investment holding company.

The amounts due from/to subsidiaries are unsecured, interest free and have no fixed repayment terms.

38. DIRECTORS' EMOLUMENTS

Save as disclosed herein, no other emoluments were paid or payable by the Company or any of its subsidiaries to the Company's directors in respect of the Relevant Periods.

Under the arrangements presently in force, the aggregate emolument of the Company's directors (including the independent non-executive Directors) for the year ending 31 March 2009 is approximately HK$3.7 million. Details of the aggregate emolument of the Company's directors for the year ending 31 March 2009 are set out in the paragraph headed "Further information about substantial shareholders, directors and experts" in Appendix VI to the Prospectus.

39. SUBSEQUENT EVENTS

The following events took place subsequent to 30 September 2008:

(a) On 5 February 2009, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000, by the creation of an additional 1,962,000,000 shares of HK$0.01 each.

(b) On 5 February 2009, resolutions of the sole shareholder were passed to approve the matters set out in the paragraph headed "Written resolutions of the sole Shareholder passed on 5 February 2009" in Appendix VI to the Prospectus.

(c) On 30 January 2009, the Group entered into a sale and purchase agreement with the Company's director, Mr. Chong Kam Chau, for the acquisition of the entire issued share capital of Century Shiny at a cash consideration of approximately HK$865,000.

(d) The banks have agreed in principle that all personal guarantees and securities provided by the Company's directors will be released or replaced by guarantees or other securities from the Company and/or its subsidiaries upon listing of shares of the Company on Main Board of the Stock Exchange.

40. ULTIMATE HOLDING COMPANY

The directors of the Company regard Perfect Group Version Limited, a company incorporated in the BVI, as being the immediate and ultimate holding company.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of its subsidiaries in respect of any period subsequent to 30 September 2008.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

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

16 February 2009

The Board of Directors
Come Sure Group (Holdings) Limited
Kingsway Capital Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Century Shiny Investment Limited ("CSI") and its subsidiary (hereinafter collectively referred to as the "CSI Group") for the period from date of incorporation to 31 March 2006, the years ended 31 March 2007 and 2008 and the six months ended 30 September 2008 (the "Relevant Periods") for inclusion in the prospectus dated 16 February 2009 issued by Come Sure Group (Holdings) Limited (the "Prospectus").

CSI was incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance on 29 August 2005. Pursuant to a group reorganisation, as more fully explained in the paragraph headed "Corporate reorganisation" in Appendix VI to the Prospectus (the "Reorganisation"), CSI was disposed of by Come Sure Holdings Limited, a wholly-owned subsidiary of Come Sure Group (Holdings) Limited to Mr. Chong Kam Chau, the ultimate controlling party of Come Sure Group (Holdings) Limited on 28 November 2006.

Pursuant to the Reorganisation, Jumbo Match Limited, a wholly-owned subsidiary of Come Sure Group (Holdings) Limited, acquired the entire equity interest in CSI on 2 February 2009.

As at the date of this report, CSI had directly held the following subsidiary:

Name of subsidiary	Place and date of establishment	Registered capital	Attributable equity interest	Principal activities/place of operation
惠州錦勝包裝有限公司 (Huizhou Come Sure Packing Company Limited ("Come Sure Huizhou"))	People's Republic of China (the "PRC") 23 January 2006	HK$22,000,000	100%	Not yet commenced business/PRC

The English name of this company represents management's best efforts in translating the Chinese name of this company as no English name has been registered.

Come Sure Huizhou is a wholly foreign-owned enterprise.

CSI has adopted 31 March as its financial year end date while Come Sure Huizhou has adopted 31 December as its financial year end date as required by the relevant laws in the PRC.

We have audited the financial statements of CSI for the period from date of incorporation to 31 March 2006, the years ended 31 March 2007 and 2008 and the six months ended 30 September 2008.

The statutory financial statements of Come Sure Huizhou have been prepared in accordance with the relevant accounting principles and financial regulations applicable to the PRC and audited by the certified public accountants as follows:

Company	**Financial period**	**Auditor**
Come Sure Huizhou	Period from 23 January 2006 (date of incorporation) to 31 December 2006 and year ended 31 December 2007	廣東粵信會計師事務所有限公司惠州分所 ("Guangdong Yuexin Certified Public Accountants Co., Ltd Huizhou Branch") registered in PRC

For the purpose of this report, the sole director of CSI has prepared the consolidated financial statements of the CSI Group for the Relevant Periods (the "HKFRS Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

We have performed our independent audit on the HKFRS Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the HKFRS Financial Statements in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information has been prepared from the HKFRS Financial Statements. No adjustments were considered necessary for the purpose of preparing our report for inclusion in the Prospectus.

The sole director of CSI is responsible for the preparation of the HKFRS Financial Statements. The directors of Come Sure Group (Holdings) Limited are responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the HKFRS Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

For the purpose of this report, the sole director of CSI has prepared the comparative financial information of the CSI Group for the six months ended 30 September 2007 (the "Comparative Financial Information") in accordance with HKFRSs. We have reviewed the Comparative Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists principally of making enquiries of the CSI Group management and applying analytical procedures to the Comparative Financial Information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the Comparative Financial Information.

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the Comparative Financial Information.

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the state of affairs of CSI and of the CSI Group as at 31 March 2006, 2007 and 2008 and 30 September 2008 and of the results and cash flows of the CSI Group for the Relevant Periods.

FINANCIAL INFORMATION

A. CONSOLIDATED INCOME STATEMENTS

	Note	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Six months ended 30 September 2007	Six months ended 30 September 2008
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Turnover	*6*	–	–	–	–	–
Other income	*7*	–	–	735	–	–
Administrative expenses		(34)	(241)	(96)	(48)	(101)
Other operating expenses		–	(8)	(10)	(5)	(5)
(Loss)/profit before tax		(34)	(249)	629	(53)	(106)
Income tax expense	*8*	–	–	–	–	–
(Loss)/profit for the year/period	*9*	(34)	(249)	629	(53)	(106)

B. CONSOLIDATED BALANCE SHEETS

	Note	At 31 March 2006 HK$'000	At 31 March 2007 HK$'000	2008 HK$'000	At 30 September 2008 HK$'000
Non-current assets					
Prepaid land lease payments	*11*	–	–	–	25,733
Property, plant and equipment	*12*	–	42	32	27
		–	42	32	25,760
Current assets					
Prepaid land lease payments	*11*	–	–	–	535
Prepayments, deposits and other receivables		3,398	2,770	3,895	3,634
Bank and cash balances		1,602	195	298	2,266
		5,000	2,965	4,193	6,435
Current liabilities					
Accruals and other payables		–	11	16	22
Due to a shareholder	*14*	34	2,230	2,189	30,008
Due to a related party	*13*	4,000	–	–	–
		4,034	2,241	2,205	30,030
Net current assets/(liabilities)		966	724	1,988	(23,595)
NET ASSETS		966	766	2,020	2,165
Capital and reserves					
Share capital	*15*	1,000	1,000	1,000	1,000
Reserves		(34)	(234)	1,020	1,165
TOTAL EQUITY		966	766	2,020	2,165

C. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000*	Foreign currency translation reserve *HK$'000*	Retained profits/ (Accumulated losses) *HK$'000*	Total equity *HK$'000*
Loss for the period	–	–	(34)	(34)
Total recognised income and expense for the period	–	–	(34)	(34)
Issue of shares	1,000	–	–	1,000
At 31 March 2006	1,000	–	(34)	966
Exchange differences arising on translation of foreign operations	–	49	–	49
Net income recognised directly in equity	–	49	–	49
Loss for the year	–	–	(249)	(249)
Total recognised income and expense for the year	–	49	(249)	(200)
At 31 March 2007	1,000	49	(283)	766
Exchange differences arising on translation of foreign operations	–	625	–	625
Net income recognised directly in equity	–	625	–	625
Profit for the year	–	–	629	629
Total recognised income and expense for the year	–	625	629	1,254
At 31 March 2008	1,000	674	346	2,020

	Share capital *HK$'000*	Foreign currency translation reserve *HK$'000*	Retained profits/ (Accumulated losses) *HK$'000*	Total equity *HK$'000*
At 1 April 2008	1,000	674	346	2,020
Exchange differences arising on translation of foreign operations	–	251	–	251
Net income recognised directly in equity	–	251	–	251
Loss for the period	–	–	(106)	(106)
Total recognised income and expense for the period	–	251	(106)	145
At 30 September 2008	1,000	925	240	2,165

	Share capital *HK$'000*	Foreign currency translation reserve *HK$'000*	Retained profits/ (Accumulated losses) *HK$'000*	Total equity *HK$'000*
(Unaudited)				
At 1 April 2007	1,000	49	(283)	766
Exchange differences arising on translation of foreign operations	–	183	–	183
Net income recognised directly in equity	–	183	–	183
Loss for the period	–	–	(53)	(53)
Total recognised income and expense for the period	–	183	(53)	130
At 30 September 2007	1,000	232	(336)	896

D. CONSOLIDATED CASH FLOW STATEMENTS

	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March		Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax	(34)	(249)	629	(53)	(106)
Adjustment for:					
Depreciation of property, plant and equipment	–	8	10	5	5
Operating (loss)/profit before working capital changes	(34)	(241)	639	(48)	(101)
Decrease/(increase) in prepayments, deposits and other receivables	(3,398)	628	(1,125)	(176)	261
Increase in accruals and other payables	–	11	5	–	6
Net cash (used in)/ generated from operating activities	(3,432)	398	(481)	(224)	166
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	–	(50)	–	–	–
Addition of prepaid land lease payments	–	–	–	–	(26,268)
Net cash used in investing activities	–	(50)	–	–	(26,268)

	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March		Six months ended 30 September	
		2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	1,000	–	–	–	–
Advance from a shareholder	34	4,083	–	9	27,819
Repayment to a shareholder	–	(1,887)	(41)	–	–
Advance from/(repayment to) a related party	4,000	(4,000)	–	–	–
Net cash generated from/ (used in) financing activities	5,034	(1,804)	(41)	9	27,819
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,602	(1,456)	(522)	(215)	1,717
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	–	49	625	183	251
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	–	1,602	195	195	298
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	1,602	195	298	163	2,266
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Bank and cash balances	1,602	195	298	163	2,266

E. BALANCE SHEETS

	Note	At 31 March 2006	At 31 March 2007	At 31 March 2008	At 30 September 2008
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
CSI					
Non-current assets					
Investment in a subsidiary	*20*	5,000	5,000	5,000	5,500
Property, plant and equipment	*12*	–	42	32	27
		5,000	5,042	5,032	5,527
Current assets					
Due from a subsidiary	*20*	–	–	–	25,333
Bank and cash balances		–	8	8	5
		–	8	8	25,338
Current liabilities					
Accruals and other payables		–	11	16	22
Due to a shareholder	*14*	16	2,212	2,169	29,987
Due to a related party	*13*	4,000	–	–	–
Due to a subsidiary	*20*	–	1,887	1,962	–
		4,016	4,110	4,147	30,009
Net current liabilities		(4,016)	(4,102)	(4,139)	(4,671)
NET ASSETS		984	940	893	856
Capital and reserves					
Share capital	*15*	1,000	1,000	1,000	1,000
Accumulated losses		(16)	(60)	(107)	(144)
TOTAL EQUITY		984	940	893	856

F. STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
CSI			
Loss for the period	–	(16)	(16)
Total recognised income and expense for the period	–	(16)	(16)
Issue of share	1,000	–	1,000
At 31 March 2006	1,000	(16)	984
Loss for the year	–	(44)	(44)
Total recognised income and expense for the year	–	(44)	(44)
At 31 March 2007	1,000	(60)	940
Loss for the year	–	(47)	(47)
Total recognised income and expense for the year	–	(47)	(47)
At 31 March 2008	1,000	(107)	893
Loss for the period	–	(37)	(37)
At 30 September 2008	1,000	(144)	856
(Unaudited)			
At 1 April 2007	1,000	(60)	940
Loss for the period	–	(13)	(13)
At 30 September 2007	1,000	(73)	927

G. NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION

CSI was incorporated on 29 August 2005 in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The address of its registered office is 9/F., Tung Ning Building, 249-253 Des Voeux Road Central, Hong Kong. The address of its principal place of business is Units 8-10, 8/F Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong.

CSI is an investment holding company and its subsidiary has not yet commenced business at the date of this report.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

During the Relevant Periods, the CSI Group has adopted all the HKFRSs that are relevant to its operations and effective for its accounting year beginning on 1 April 2008.

The CSI Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The sole director of CSI anticipates that the application of these new and revised HKFRSs will not have material impact on the Financial Information of the CSI Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information set out in this report has been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations.

The Financial Information has been prepared under the historical cost convention.

The preparation of the Financial Information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the director to exercise his judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4 below.

The significant accounting policies applied in the preparation of the Financial Information are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of CSI and its subsidiary made up to 31 March 2006, 2007 and 2008 and 30 September 2008. Subsidiaries are entities over which CSI has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether CSI has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the CSI Group. They are de-consolidated from the date the control ceases.

Inter-company transactions, balances and unrealised profits on transactions between the CSI Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the CSI Group.

In CSI's balance sheet the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by CSI on the basis of dividends received and receivable.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the CSI Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Financial Information is presented in Hong Kong dollars ("HK$"), which is CSI's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the consolidated income statements.

(iii) Translation on consolidation

The results and financial position of all the CSI Group entities that have a functional currency different from CSI's presentation currency are translated into CSI's presentation currency as follows:

– Assets and liabilities for each balance sheet of the CSI Group entities are translated at the closing rate at the date of that balance sheet;

– Income and expenses for each income statement of the CSI Group entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statements as part of the profit or loss on disposal.

(c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the CSI Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated income statements during the Relevant Periods in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Motor vehicles	5 – 10 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

(d) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the consolidated income statements on a straight-line basis over the lease term.

Consideration paid for land use rights is recorded as prepaid land lease payments and charged to the consolidated income statements on a straight-line basis over the term of relevant land use rights acquired.

(e) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheets when the CSI Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the CSI Group transfers substantially all the risks and rewards of ownership of the assets; or the CSI Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statements.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated income statements.

(f) Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the CSI Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the consolidated income statements.

Impairment losses are reversed in subsequent periods and recognised in the consolidated income statements when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(g) Cash and cash equivalents

For the purpose of the consolidated cash flow statements, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the CSI Group's cash management are also included as a component of cash and cash equivalents.

(h) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the CSI Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below in (i) to (j).

(i) Other payables

Other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Equity instruments

Equity instruments issued by CSI are recorded at the proceeds received, net of direct issue costs.

(k) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The CSI Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the CSI Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the CSI Group intends to settle its current tax assets and liabilities on a net basis.

(l) Related parties

A party is related to the CSI Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the CSI Group; has an interest in the CSI Group that gives it significant influence over the CSI Group; or has joint control over the CSI Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of CSI or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the CSI Group, or of any entity that is a related party of the CSI Group.

(m) Impairment of assets

At each balance sheet date, the CSI Group reviews the carrying amounts of its tangible and intangible assets, except receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the CSI Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the CSI Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(o) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the CSI Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Financial Information. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the Financial Information when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for bad and doubtful debts

The CSI Group makes allowance for bad and doubtful debts based on assessments of the recoverability of the other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and bad and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

5. FINANCIAL RISK MANAGEMENT

The CSI Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The CSI Group's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the CSI Group's financial performance.

(a) Credit risk

The carrying amount of deposits and other receivables and bank and cash balances included in the consolidated balance sheets, represent the CSI Group's maximum exposure to credit risk in relation to financial assets.

(b) Liquidity risk

The CSI Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the financial liabilities is as follows:

	CSI Group		
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2006			
Due to a shareholder	34	–	–
Due to a related party	4,000	–	–
At 31 March 2007			
Accruals and other payables	11	–	–
Due to a shareholder	2,230	–	–
At 31 March 2008			
Accruals and other payables	16	–	–
Due to a shareholder	2,189	–	–
At 30 September 2008			
Accruals and other payables	22	–	–
Due to a shareholder	30,008	–	–

	CSI		
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2006			
Due to a shareholder	16	–	–
Due to a related party	4,000	–	–
At 31 March 2007			
Accruals and other payables	11	–	–
Due to a subsidiary	1,887	–	–
Due to a shareholder	2,212	–	–
At 31 March 2008			
Accruals and other payables	16	–	–
Due to a subsidiary	1,962	–	–
Due to a shareholder	2,169	–	–
At 30 September 2008			
Accruals and other payables	22	–	–
Due to a shareholder	29,987	–	–

(c) Fair values

The carrying amounts of the CSI Group's financial assets and financial liabilities as reflected in the consolidated balance sheets approximate their respective fair values.

6. TURNOVER AND SEGMENT INFORMATION

The CSI Group has no turnover during the Relevant Periods.

7. OTHER INCOME

	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Six months ended 30 September 2007	Six months ended 30 September 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Compensation from cancellation of agreements	–	–	735	–	–

8. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since CSI has no assessable profit for the Relevant Periods.

Pursuant to relevant laws and regulations in the PRC, Come Sure Huizhou is not yet subject to enterprise income tax for the Relevant Period since the entity has not commenced its business.

The reconciliation between the income tax expense and the product of (loss)/profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Six months ended 30 September 2007	Six months ended 30 September 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
(Loss)/profit before tax	(34)	(249)	629	(53)	(106)
Hong Kong Profits Tax rate	17.5%	17.5%	17.5%	17.5%	16.5%
Tax at Hong Kong Profits tax rate	(6)	(44)	110	(9)	(17)
Tax effect of income that is not taxable	–	–	(129)	–	–
Tax effect of expenses that are not deductible	6	44	19	9	17
Income tax expense	–	–	–	–	–

9. (LOSS)/PROFIT FOR THE YEAR/PERIOD

The CSI Group's (loss)/profit for the year/period is stated after charging the following:

	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March		Six months ended 30 September	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditors' remuneration	–	11	7	1	7
Depreciation	–	8	10	5	5
Staff costs	–	–	–	–	–
Director's emoluments	–	–	–	–	–

10. LOSS FOR THE YEAR/PERIOD ATTRIBUTABLE TO EQUITY HOLDER OF CSI

The loss attributable to equity holder of CSI included loss of approximately HK$16,000, HK$44,000, HK$47,000, HK$13,000 (unaudited) and HK$37,000 for the period from date of incorporation to 31 March 2006, the years ended 31 March 2007 and 2008 and the six months ended 30 September 2007 and 2008, respectively, which have been dealt with in the Financial Information.

11. PREPAID LAND LEASE PAYMENTS

	CSI Group			
	From 29 August 2005 (date of incorporation) to 31 March 2006	Year ended 31 March		Six months ended 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of year/period	–	–	–	–
Additions	–	–	–	26,268
At end of year/period	–	–	–	26,268
Current portion	–	–	–	(535)
Non-current portion	–	–	–	25,733

The CSI Group's prepaid land lease payments are analysed as follows:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Land use rights in the PRC under 50 years (medium-term) leases	–	–	–	26,268

12. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles *HK$'000*
Cost	
At 29 August 2005 (date of incorporation) and 31 March 2006	–
Additions	50
At 31 March 2007 and 2008 and 30 September 2008	50
Accumulated depreciation	
At 29 August 2005 (date of incorporation) and 31 March 2006	–
Charge for the year	8
At 31 March 2007	8
Charge for the year	10
At 31 March 2008	18
Charge for the period	5
At 30 September 2008	23
Carrying amount	
At 31 March 2006	–
At 31 March 2007	42
At 31 March 2008	32
At 30 September 2008	27

13. DUE TO A RELATED PARTY

Mr. Chong Kam Chau, the shareholder of CSI, has beneficial interests in Come Sure Development Limited. The amount due to the related party is unsecured, interest free and has no fixed repayment terms.

14. DUE TO A SHAREHOLDER

The amount due to a shareholder, Mr. Chong Kam Chau is unsecured, interest free and has no fixed repayment terms. The amount will be fully settled before the listing of Come Sure Group (Holdings) Limited's shares on The Stock Exchange of Hong Kong Limited.

15. SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number of shares	*Amount HK$*	*Number of shares*	*Amount HK$*
Ordinary shares of HK$1 each				
– on incorporation *(Note a)*	10,000	10,000	1	1
– increase of authorised share capital and allotment of shares *(Note b)*	990,000	990,000	999,999	999,999
Balance at 31 March 2006, 2007 and 2008 and 30 September 2008	1,000,000	1,000,000	1,000,000	1,000,000

Notes:

(a) CSI was incorporated on 29 August 2005 with an authorised share capital of HK$10,000 divided into 10,000 shares of HK$1 each, one of which was issued and allotted to the subscriber of CSI.

(b) By an ordinary resolution passed on 3 November 2005 the authorised ordinary share capital of CSI was increased from HK$10,000 to HK$1,000,000 by the creation of 990,000 shares of HK$1 each, such new shares ranking pari passu in all respects with the existing shares of CSI.

On the same date CSI issued 999,999 ordinary shares of HK$1 each at par for cash fully paid totalling HK$999,999 to provide additional working capital.

The CSI Group's objectives when managing capital are to safeguard the CSI Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The CSI Group currently does not have any specific policies and processes for managing capital.

16. OPERATING LEASE COMMITMENTS

CSI and the CSI Group had no significant operating lease commitments at 31 March 2006, 2007 and 2008 and 30 September 2008.

17. CAPITAL COMMITMENTS

The CSI Group's capital commitments are as follows:

	At 31 March			At 30 September
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure contracted but not provided for:				
Property, plant and equipment	–	–	–	407

CSI's capital commitments in respect of its investment in the subsidiary is as follows:

	At 31 March			At 30 September
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure contracted but not provided for in the financial statements in respect of unpaid balance of capital contributions	17,000	17,000	17,000	16,500

18. CONTINGENT LIABILITIES

The CSI Group and CSI had no significant contingent liabilities at 31 March 2006, 2007 and 2008 and 30 September 2008.

19. RELATED PARTY TRANSACTIONS

Transactions between the CSI Group companies have been eliminated on consolidation and are not disclosed. There is no material transaction between the CSI Group and its related parties during the Relevant Periods.

The CSI Group had the following balances with related parties:

	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due to a related party	4,000	–	–	–
Due to a shareholder	34	2,230	2,189	30,008

20. INVESTMENT IN A SUBSIDIARY

	CSI			
	At 31 March			At 30 September
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted investment, at cost	5,000	5,000	5,000	5,500

The investment in a subsidiary at 31 March 2006, 2007 and 2008 and 30 September 2008 represents CSI's 100% equity interest in Come Sure Huizhou which is incorporated in the PRC and has not yet commenced business.

The amounts due from/to the subsidiary are unsecured, interest free and have no fixed repayment terms.

21. ULTIMATE HOLDING COMPANY

The sole director of CSI regards Perfect Group Version Limited, a company incorporated in the BVI, as being the immediate and ultimate holding company.

22. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for CSI or any of its subsidiaries in respect of any period subsequent to 30 September 2008.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

(A) STATEMENT OF UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of the Group as at 30 September 2008 which is based on the historical audited net tangible assets of the Group as at 30 September 2008 as shown in the Accountants' Report of the Group, the text of which is set out in Appendix I to this prospectus and is adjusted as follows:

	Audited net tangible assets as at 30 September 2008 *HK$'000* *(Note 1)*	**Estimated net proceeds from the Share Offer** *HK$'000* *(Note 2)*	**Unaudited pro forma adjusted net tangible assets** *HK$'000* *(Note 3, 4)*	**Unaudited pro forma adjusted net tangible assets per Share** *HK$* *(Note 5)*
Based on an Offer Price of HK$1.01 per Share	288,819	50,433	339,252	1.21
Based on an Offer Price of HK$1.31 per Share	288,819	70,908	359,727	1.28

Notes:

1. The audited net tangible assets of the Group as at 30 September 2008 is arrived at after deducting the club membership of HK$366,000 from the audited net assets of the Group as at 30 September 2008 as shown in the Accountants' Report of the Group set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Share Offer are based on the Offer Price of HK$1.01 per Share and HK$1.31 per Share, after deduction of underwriting fees and estimated expenses payable by the Company in connection with the Share Offer.

3. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2008.

4. Details of valuation of the Group's property interests as at 31 December 2008 are set out in Appendix IV to this prospectus. The above adjustments do not take into account the surplus arising from the revaluation of the Group's property interests amounting to HK$17.8 million. The revaluation surplus will not be incorporated in the Group's financial statements for the year ending 31 March 2009. If the valuation surplus were recorded in the Group's financial statements for the year ending 31 March 2009, an additional depreciation and amortisation expense of approximately HK$0.3 million would be incurred.

5. The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments referred to above and on the basis that 280,000,000 Shares, being the number of Shares expected to be in issue immediately after completion of the Share Offer and the Capitalisation Issue as mentioned in the section headed "Share Capital" of this prospectus, are in issue.

The statement of unaudited pro forma adjusted net tangible assets of the Group has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate the effect of the Share Offer on the audited net tangible assets of the Group as if the Share Offer had taken place on 30 September 2008.

The statement of unaudited pro forma adjusted net tangible assets of the Group has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Group following the Share Offer.

(B) UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The following unaudited pro forma statement of assets and liabilities of the enlarged group has been prepared to illustrate the effect of the acquisition of 100% equity interests in Century Shiny Investment Limited (the "Acquisition"), as if the transaction had been completed as at 30 September 2008, might have affected the financial position of the Group.

The unaudited pro forma statement of assets and liabilities of the enlarged group is prepared based on the audited consolidated balance sheet of the Group as at 30 September 2008 as extracted from the Accountants' Report of the Group set out in Appendix I to this prospectus and the audited consolidated balance sheet of Century Shiny Investment Limited and its subsidiary (the "CSI Group") as at 30 September 2008 as extracted from the Accountants' Report of the CSI Group set out in Appendix II to this prospectus after making certain proforma adjustments resulting from the Acquisition.

This pro forma financial information is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of its nature, it may not give a true picture of the actual financial position of the Group that would have been attained had the Acquisition actually occurred on 30 September 2008. Furthermore, this pro forma financial information does not purport to predict the Group's future financial position.

The unaudited pro forma statement of assets and liabilities of the enlarged group should be read in conjunction with the financial information of the Group as set out in Appendix I to this prospectus, the financial information of the CSI Group as set out in Appendix II to this prospectus and other financial information included elsewhere in the prospectus.

	Consolidated statement of assets and liabilities of the Group as at 30 September 2008	Consolidated statement of assets and liabilities of the CSI Group as at 30 September 2008	Pro forma adjustments		Unaudited pro forma statement of assets and liabilities of the enlarged group
	HK$'000	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Non-current assets					
Prepaid land lease payments	5,197	25,733			30,930
Property, plant and equipment	126,517	27			126,544
Investment properties	420	–			420
Club membership	366	–			366
	132,500	25,760			158,260
Current assets					
Inventories	66,518	–			66,518
Trade and other receivables	204,928	3,634			208,562
Prepaid land lease payments	222	535			757
Pledged bank deposits	39,378	–			39,378
Bank and cash balances	48,131	2,266	(30,873)	*2, 3*	19,524
	359,177	6,435			334,739
Current liabilities					
Trade and other payables	(79,530)	(22)			(79,552)
Due to a shareholder	–	(30,008)	30,008	*3*	–
Short-term bank borrowings	(105,666)	–			(105,666)
Current tax liabilities	(3,383)	–			(3,383)
Current portion of long term borrowings	(5,185)	–			(5,185)
	(193,764)	(30,030)			(193,786)
Net current assets/(liabilities)	165,413	(23,595)			140,953
Non-current liabilities					
Deferred tax liabilities	(2,885)	–			(2,885)
Long term borrowings	(5,843)	–			(5,843)
Net Assets	289,185	2,165			290,485

Notes:

1. The Acquisition involved companies under common control of a director of the Company, Mr. Chong Kam Chau. The unaudited pro forma statement of assets and liabilities of the enlarged group is prepared in accordance with the principles and procedures of merger accounting as set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants and has been prepared to present the assets and liabilities of the enlarged group as if the group structure after the Acquisition had been in existence as at 30 September 2008.

2. The adjustment represents cash consideration of approximately HK$865,000 for the Acquisition.

3. Pursuant to the sale and purchase agreement, the Group will settle the amount due to a shareholder by the CSI Group.

4. No adjustment has been made to reflect any trading results or other transactions of the Group and the CSI Group entered into subsequent to 30 September 2008. The actual financial position of the enlarged group upon the completion of the Acquisition may be different from the financial position shown in this pro forma financial information.

(C) COMFORT LETTER ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

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

16 February 2009

The Board of Directors
Come Sure Group (Holdings) Limited

Dear Sirs,

We report on the unaudited pro forma financial information of Come Sure Group (Holdings) Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), set out on pages III-1 to III-4 under the headings of "Statement of unaudited pro forma adjusted net tangible assets" and "Unaudited pro forma statement of assets and liabilities of the enlarged group" (the "Unaudited Pro Forma Financial Information") in Appendix III to the Company's prospectus dated 16 February 2009 (the "Prospectus") in connection with the placing and public offer of 70,000,000 shares of HK$0.01 each in the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the placing and public offer of the Company and the acquisition of 100% equity interests in Century Shiny Investment Limited might have affected the financial information of the Group respectively. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages III-1 to III-4 to the Prospectus.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with sourcing documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2008 or any future date.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

The following is the text of a letter, summary of values and valuation certificates, prepared for the purposes of incorporation of this prospectus, received from Grant Sherman Appraisal Limited, an independent valuers, in connection with their valuation as at 31 December 2008 of the property interests of the Group.



GRANT SHERMAN APPRAISAL LIMITED

Room 1701, 17/F
Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

16 February 2009

The Directors
Come Sure Group (Holdings) Limited
Units 8-10, 8th Floor
Cornell Centre
50 Wing Tai Road
Chai Wan
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests to be acquired and held by Come Sure Group (Holdings) Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in Hong Kong, the People's Republic of China ("the PRC") and Macau, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the properties as at 31 December 2008.

Our valuation is our opinion of market value which we would define as intended to mean the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

We have valued the property interests in Group I, Group II and Group IV by comparison approach assuming sale in their existing state with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market.

For the property interests in Group III, due to the nature of the buildings and structures constructed for specific purpose, there is no readily identifiable market comparable. Thus these buildings and structures cannot be valued on the basis of direct comparison. They have therefore been valued on the basis of depreciated replacement cost ("DRC"). DRC is based on an estimate of the market value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

For the property interests in Group V, Group VI and Group VII, which are leased by the Group in Hong Kong, the PRC and Macau, we are of the opinion that no commercial value attribute to the Group due mainly to the short term nature or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

Our valuations have been made on the assumption that the owner sells the property interests on the market in their existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the property values. In addition, no forced sale situation in any manner is assumed.

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property for the whole of the unexpired term as granted and is entitled to transfer the property with the residual term without payment of any further premium to the government authorities or any third parties.

We have assumed that all consents, approvals and licenses from relevant government authorities for the property have been granted without any onerous conditions or undue time delay which might affect its value. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

We have been provided with copies of extracts or title documents relating to the properties. However, we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. Due to the nature of the land registration system in the PRC, we are unable to search the original documents to verify the existing title of the properties or any material encumbrances that might be attached to the properties. In the preparation of our valuation report, we have relied to a considerable extent on the legal opinion provided by the Company's legal adviser, Shu Jin Law Firm (廣東信達律師事務所) on the PRC laws regarding the titles of the properties in the PRC, Loong & Yeung on the titles of the property No. 6 in Hong Kong and Teresa Teixeira da Silva, Advogada (鄧思慧大律師) on the Macau laws regarding the titles of the properties in Macau.

In the course of our valuation, we have relied on a considerable extent on information provided by the Company on such matters as property title, statutory notices, easements, tenure, occupation, floor area, identification of the properties and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us. We were also advised by the Company that no material facts have been omitted from the information supplied. All documents have been used as reference only. All dimensions, measurements and areas are approximations.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its values.

We have inspected the exterior and, where possible, the interior of the property in respect of which we have been provided with such information as we have required for the purpose of our valuations. However, no structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structures which were covered, unexposed or inaccessible. We are therefore, unable to report that the property is free of rot, infestation or any structural defects. No tests have been carried out on any of the building services.

Unless otherwise specified, all amounts are denominated in Hong Kong Dollars. The exchange rate used in valuing the property interests in the PRC at 31 December 2008 was HK$1.1339 = RMB1.

We enclose herewith the summary of valuations and valuation certificates.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED
Peggy Y.Y. Lai
MRICS MHKIS RPS (GP)
Associate Director
Real Estate Group

Note: Ms. Peggy Y.Y. Lai is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and Registered Professional Surveyors in the General Practice Section, who has over 5 years experience in the valuation of properties in Hong Kong, the PRC and the Asian Region.

SUMMARY OF VALUATION

Group I — Property interests held by the Group for owner-occupation in Hong Kong

	Property	Market value as at 31 December 2008 *(HK$)*
1.	Units 8 and 9 on 8th Floor No. 50 Wing Tai Road Cornell Centre Hong Kong	4,640,000
	Sub-total:	**4,640,000**

Group II — Property interests held by the Group for investment purpose in Hong Kong

2.	Car parking space No. 71 on Lower G/F Ming Yuen Mansions Nos. 1-31 Peacock Road Hong Kong	200,000
3.	Car parking space no. 77 on Lower G/F Ming Yuen Mansions Nos. 1-31 Peacock Road Hong Kong	200,000
	Sub-total:	**400,000**

Group III — Property interests held by the Group for owner-occupation in the PRC

4.	An industrial complex located at Shahuan Nam Road Shajing Town Baoan District Shenzhen City Guangdong Province The PRC	27,880,000
	Sub-total:	**27,880,000**

Group IV — Property interests to be acquired by the Group for future development in the PRC

	Property	Market value as at 31 December 2008 *(HK$)*
5.	A parcel of land located at Lot Qian Shi Ling 12 Tuo Bai Sha Bu Village, Da Ling Town Huidong County in Huizhou City Guangdong Province the PRC	24,480,000
	Sub-total:	**24,480,000**

Group V — Property interests leased by the Group in Hong Kong

6.	Unit 10 on 8th Floor Cornell Centre No. 50 Wing Tai Road Hong Kong	No Commercial Value
	Sub-total:	**Nil**

Group VI — Property interests leased by the Group in the PRC

7.	An industrial complex located at Keng Wei Tang San Lu Shajing Town Baoan District Shenzhen City Guangdong Province the PRC	No Commercial Value

Group VII — Property interests leased by the Group in Macau

	Property	Market value as at 31 December 2008 *(HK$)*
8.	Unit H20, Kin Heng Long Nos. 7-117 Rua De Roma Nos. 6-116 De Bruxelas Nos. 238-286 Alameda Dr. Carlos D'Assumpcao Nos. 237-285 Avenida Do Gocernador Jamie Silverio Marques Macau	No Commercial Value
9.	Unit I20, Kin Heng Long Nos. 7-117 Rua De Roma Nos. 6-116 De Bruxelas Nos. 238-286 Alameda Dr. Carlos D'Assumpcao Nos. 237-285 Avenida Do Gocernador Jamie Silverio Marques Macau	No Commercial Value
	Sub-total:	**Nil**
	Grand Total:	**57,400,000**

VALUATION CERTIFICATE

Group I — Property interests held by the Group for owner-occupation in Hong Kong

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
1.	Units 8 and 9 on 8th Floor No. 50 Wing Tai Road Cornell Centre Hong Kong 45/4988th shares of and in Chai Wan Inland Lot No. 138	The property comprises two units on 8th floor of a 22-storey building completed in about 1991. The total gross floor area of the property is approximately 300 sq.m.. The property is held under Conditions of Grant No.12054 for a term commencing from 29 May 1989 to 30 June 2047. The Government rent payable for the lot is equivalent to 3% of the rateable value for the time being of the lot.	The property is mainly occupied by the Group for non-domestic use.	4,640,000

Notes:

(i) The registered owner of the property is Come Sure Development Limited vide Memorial Nos. UB5146430 and UB5146431 both dated 20 December 1991.

(ii) The property is subject to a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited vide Memorial No. UB5146432 dated 20 December 1991.

(iii) The property is subject to a Deed of Mutual Covenant vide Memorial No. UB5118570 dated 22 November 1991.

(iv) Non-domestic use means a part that is constructed or intended for use otherwise than for habitation.

Group II — Property interests held by the Group for investment purpose in Hong Kong

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
2.	Car parking space no. 71 on Lower G/F Ming Yuen Mansions Nos. 1-31 Peacock Road Hong Kong 1/3300th shares of and in Inland Lot No. 7928 and Section U of Inland Lot No. 1705 and the extension thereto.	The property comprises a car parking space on Lower Ground Floor of a 21-storey residential building completed in about 1968. Inland Lot No. 7928 is held under a Conditions of Exchange No. 7510 for a term of 999 years commencing from 8 October 1883. Section U of Inland Lot No. 1705 and the extension thereto is held under Government Lease for a term of 999 years commencing from 8 October 1883. The Government rent payable for the lots is HK$314 per annum.	Car parking space no. 71 on lower G/F is vacant.	200,000

Notes:

(i) The registered owner of the property is Come Sure Development Limited vide Memorial Nos. UB6175312 dated 21 November 1994.

(ii) The property is subject to a Deed of Mutual Covenant vide Memorial No. UB675943 dated 22 April 1969.

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
3.	Car parking space no. 77 on Lower G/F Ming Yuen Mansions Nos. 1-31 Peacock Road Hong Kong 1/3300th shares of and in Inland Lot No. 7928 and Section U of Inland Lot No. 1705 and the extension thereto.	The property comprises a car parking space on Lower Ground Floor of a 21-storey residential building completed in about 1968. Inland Lot No. 7928 is held under a Conditions of Exchange No.7510 for a term of 999 years commencing from 8 October 1883. Section U of Inland Lot No. 1705 and the extension thereto is held under Government Lease for a term of 999 years commencing from 8 October 1883. The Government rent payable for the lots is HK$314 per annum.	Car parking space no. 77 on lower G/F is vacant.	200,000

Notes:

(i) The registered owner of the property is Come Sure Development Limited vide Memorial No. UB5302940 dated 30 April 1992.

(ii) The property is subject to a Deed of Mutual Covenant vide Memorial No. UB675943 dated 22 April 1969.

Group III — Property interests held by the Group for owner-occupation in the PRC

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
4.	An industrial complex located at Shahuan Nam Road Shajing Town Baoan District Shenzhen City Guangdong Province The PRC	The property comprises an industrial complex erected on a parcel of land with an area of approximately 25,678.70 sq.m. completed in about 1992. The industrial complex comprises 5 blocks of industrial building, a block of office building, 3 blocks of staff quarters, a number of ancillary structures and some open space. The total gross floor area of the buildings (excluding ancillary structures) is approximately 14,256.1 sq.m. Details of the area are listed as follows:	The property is occupied by the Group for production, warehouse, office and staff quarters uses.	27,880,000

	GFA *(sq.m.)*
industrial	8,949.2
office	2,183.0
staff quarters	3,123.9
Total	14,256.1

Notes:

(i) According to a tenancy agreement, the property with a total gross floor area of 11,132 sq.m. was leased to Come Sure Shenzhen by Bright Leader Shenzhen for a term of 5 years commencing from 20 May 2008 to 19 May 2013 at a monthly rental of RMB111,320. As advised, Come Sure Shenzhen and Bright Leader Shenzhen are indirect wholly-owned subsidiaries of the Company.

(ii) According to a tenancy agreement, the property with a total gross floor area of 3,124 sq.m. was leased was leased to Come Sure Shenzhen by Bright Leader Shenzhen for a term of 5 years commencing from 20 May 2008 to 19 May 2013 at a monthly rental of RMB24,992. As advised, Come Sure Shenzhen and Bright Leader Shenzhen are indirect wholly-owned subsidiaries of the Company.

(iii) Pursuant to eighteen Realty Title Certificates Shen Fang Di Zi Nos. 50002983950, 5000293944, 5000293945, 5000293947, 5000293954, 5000293946, 5000293961, 5000293957, 5000293956, 5000293960, 5000293949, 5000293951, 5000293953, 5000293948, 5000293958, 5000293959, 5000293952, 5000293955 all dated 29 September 2007, the site area of the property mentioned in the aforesaid Realty Title Certificate is about 25,678.7 sq.m. and the building ownerships of the property with a total gross floor area of 14,256.1 sq.m. is vested in Bright Leader Shenzhen for a term of 50 years commencing from 18 December 1991 to 17 December 2041. The details are summarised below:

Realty Title Certificates Shen Fang Di Zi Nos.	**Usage**	**Gross Floor Area** *(sq.m.)*
5000293950	Office	1,136.6
5000293944	Factory	1,380
5000293945	Factory	1,380
5000293947	Office	1,046.4
5000293954	Factory	1,380
5000293946	Factory	4,036.4
5000293961	Factory	772.8
5000293957	Staff Quarters	142.1
5000293956	Staff Quarters	558.1
5000293960	Staff Quarters	138.1
5000293949	Staff Quarters	97.4
5000293951	Staff Quarters	86.6
5000293953	Staff Quarters	142.1
5000293948	Staff Quarters	142.1
5000293958	Staff Quarters	614.3
5000293959	Staff Quarters	569
5000293952	Staff Quarters	65.1
5000293955	Staff Quarters	569
	Total:	14,256.1

(iv) We have been provided with a PRC legal opinion on the property issued by Shu Jin Law Firm (廣東信達律師事務所), the PRC legal adviser, which contains, *inter alias*, the following information:

(a) Bright Leader Shenzhen has obtained the land use rights and building ownership under the aforesaid Realty Title Certificates mentioned in Note i.

(b) Subject to the approval or consent from the relevant government authorities, Bright Leader Shenzhen is entitled to freely transfer, let or mortgage the land use rights and building ownership for those buildings mentioned in Note (i).

(c) The property is not subject to legal charge.

Group IV — Property interests to be acquired by the Group for future development in the PRC

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
5.	A parcel of land located at Lot Qian Shi Ling 12 Tuo Bai Sha Bu Village, Da Ling Town Huidong County in Huizhou in Guangdong Province the PRC	The property comprises a parcel of land having a site area of approximately 105,845.42 sq.m..	The property is vacant.	24,480,000

Notes:

(i) As advised by the Company, the Group intends to acquire Century Shiny which holds 100% interest of Come Sure Huizhou ("惠州錦勝包裝有限公司").

(ii) According to the State-owned Land Use Rights Certificate Hui Dong Guo Yong (2008) Di 020181 Hao, the land use right with an area of approximately 105,845.42 sq.m. have been granted to, Come Sure Huizhou ("惠州錦勝包裝有限公司") for a term up to 16 September 2058 for industrial use.

(iii) We have been provided with a PRC legal Opinion on the property issued by Shu Jin Law Firm, (廣東信達律師事務所), the PRC legal advised, which contains, inter alias, the following information:

a. Come Sure Huizhou has obtained the land use rights mentioned in note (ii).

b. Come Sure Huizhou is entitled to occupy, let or mortgage the land use right.

c. Subject to the consent or approval from the relevant government departments and the development terms stated in the land use right transfer contract, upon completion of 25% or above of the total investment amount, Come Sure Huizhou is entitled to transfer the land use right.

Group V — Property interests leased by the Group in Hong Kong

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
6.	Unit 10 on 8th Floor Cornell Centre No. 50 Wing Tai Road Hong Kong	The property comprises a workshop on the 8th floor of a 22-storey building completed in about 1991. The gross floor area of the property is approximately 146.6 sq.m..	The property is leased to Wah Ming International Limited by Wholly Rise Limited for a term of 2 years commencing from 1 April 2007 to 31 March 2009 at a monthly rent of approximately HK$15,000 inclusive of rates, government rent, management fee and internal cleaning charges. The property is currently occupied by the Group for non-domestic use.	No Commercial Value

Notes:

(i) The registered owner of the property is Wholly Rise Limited vide Memorial No. 6272939 dated 31 March 1995. As advised, Wholly Rise Limited is a connected person of the Company.

(ii) The property is subject to a mortgage in favour of Dao Heng Bank Limited vide Memorial No.UB8106953 dated 23 May 2000.

(iii) The property is subject to a Deed of Mutual Covenant vide Memorial No. UB5118570 dated 22 November 1991.

(iv) We have been provided with a Hong Kong legal opinion on the property issued by Loong & Yeung, the Hong Kong legal adviser which contains, *inter alias*, the following information:

a. The Landlord has received from the Mortgagee a letter dated 26 August 2008 granting the consent to the Landlord to let the Property to the Tenant in accordance with the terms of the Tenancy Agreement.

(v) Non-domestic use means a part that is constructed or intended for use otherwise than for habitation.

Group VI — Property interests leased to the Group in the PRC

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
7.	An industrial complex located at Keng Wei Tang San Lu Shajing Town Baoan District Shenzhen City Guangdong Province the PRC	The property comprises an industrial complex erected on a parcel of land in a rectangular shape completed in about 2000. The industrial complex comprises a block of industrial building, a block of office building, 3 blocks of staff quarters, a number of ancillary structures and some open space. The total gross floor area of the buildings is approximately 46,457 sq.m..	The property is leased to Come Sure Shenzhen by an independent third party at monthly rental of RMB531,263 commencing from 20 May 2008 to 19 May 2013 exclusive of management fee and other outgoings. The property is currently occupied by the Group for production, warehouses, offices and staff quarters use.	No Commercial Value

Notes:

(i) We have been provided with a PRC legal opinion on the property issued by Shu Jin Law Firm (廣東信達律師事務所), the PRC legal adviser, which contains, *inter alias*, the following information:

a. The property is subject to a lease tenancy agreement signed between Shenzhen Shajing Hongtian Joint Stock Cooperative Company 深圳市沙井洪田股份合作公司 "Lessor" and Come Sure Shenzhen ("Lessee") for the term commencing from 20 May 2008 to 19 May 2013 at a monthly rental of about RMB531,263. The lessor is the legal owner of the leased property and has the right to lease the same to the Group.

b. The lessor has got the Real Estate Certificate of the leased buildings.

c. The tenancy agreement mentioned in note(i)(a) is legal, enforceable and binding on the parties.

d. The tenancy agreement mentioned in note(i)(a) has been duly registered with the appropriate PRC authority.

e. The property is not subject to mortgage.

f. The existing use of the property is comply with its prescribed use.

Group VII — Property interests leased by the Group in Macau

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
8.	Unit H20 Kin Heng Long Nos. 7-117 Rua De Roma Nos. 6-116 Rua De Bruxelas Nos. 238-286 Alameda Dr. Carlos D'Assumpcao Nos. 237-285 Acenida Do Governador Jaime Silverio Marques Macau	The property comprises an office unit on the 20th floor of a 23-storey commercial building completed in about 1996. The floor area of the property is approximately 73 sq.m..	The property is leased to Come Sure Macau by independent third parties for a term of 2 years commencing from 1 August 2007 to 31 July 2009 at a monthly rent of approximately HK$5,500 exclusive of management fee, government rent, rates and all other charges. The property is currently occupied by the Group for office use.	No Commercial Value

Notes:

(i) According to the tenancy agreement dated 1 August 2007 provided by the Company, the property is subject to a tenancy agreement signed between Xu Pei Ling 許佩玲, Lin Ming Zhong 林明忠, Xu Zhen Kei 許圳圻, "Lessor" and Come Sure Group Limited, Macau commercial offshore "Lessee", for a term commencing from 1 August 2007 to 31 July 2009 at a monthly rental of about HK$5,500 exclusive of management fee, government rent, rates and all other outgoings.

(ii) We have been provided with a Macau legal opinion on the property issued by Teresa Teixeira da Silva Advogada (鄧思慧大律師), the Macau legal adviser, which contains, *inter alias*, the following information:

a. The lessors are the legal owners of the property. The tenancy agreement mentioned in note (i) above is legally enforceable.

b. The existing use of property as office is complied with the prescribed use.

	Property	Description and Tenure	Particulars of Occupancy	Market value as at 31 December 2008 *(HK$)*
9.	Unit I20 Kin Heng Long Nos. 7-117 Rua De Roma Nos. 6-116 Rua De Bruxelas Nos. 238-286 Alameda Dr. Carlos D'Assumpcao Nos. 237-285 Acenida Do Governador Jaime Silverio Marques Macau	The property comprises an office unit on the 20th floor of a 23-storey commercial building built in 1996. The floor area of the property is approximately 73 sq.m..	The property is leased to Chance Bright by independent third parties for a term of 2 years commencing from 1 August 2007 to 31 July 2009 at a monthly rent of approximately HK$5,500 exclusive of management fee, government rent, rates and all other charges. The property is currently occupied by the Group for office use.	No Commercial Value

Notes:

(i) According to the tenancy agreement dated 1 August 2007 provided by the Company, the property is subject to a tenancy agreement signed between Xu Pei Ling 許佩玲, Lin Ming Zhong 林明忠, Xu Zhen Kei 許圳圻, "Lessor" and Chance Bright Limited, Macau commercial offshore "Lessee", for a term commencing from 1 August 2007 to 31 July 2009 at a monthly rental of about HK$5,500 exclusive of management fee, government rent, rates and all other outgoings.

(ii) We have been provided with a Macau legal opinion on the property issued by Teresa Teixeira da Silva, Advogada (鄧思慧大律師), the Macau legal adviser, which contains, *inter alias*, the following information:

a. The lessors are the legal owners of the property. The tenancy agreement mentioned in note (i) above is legally enforceable.

b. The existing use of property as office is complied with the prescribed use.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 March 2006 under the Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "Memorandum") and the Amended and Restated Articles of Association (the "Articles").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia,* that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and since the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 5 February 2009. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Share certificates

Every person whose name is entered as a member in the register of members shall be entitled without payment to receive a certificate for his shares. The Companies Law prohibits the issue of bearer shares to any person other than an authorised or recognised custodian defined in the Companies Law. The requirement on all service providers to implement appropriate due diligence procedures on the identity of a client in order to "know your client" as a result of proceeds of crime legislation mandates that special procedures should be followed when issuing bearer shares.

Every certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company, and shall be signed autographically by one Director and the Secretary, or by 2 Directors, or by some other person(s) appointed by the Board for the purpose. As regards any certificates for shares or debentures or other securities of the Company, the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic as specified in such resolution or that such certificates need not be signed by any person. Every share certificate issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words "restricted voting" or "limited voting" or "non-voting" or some other appropriate designation which is commensurate with the rights attaching to the relevant class of shares. The Company shall not be bound to register more than 4 persons as joint holders of any share.

(b) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that upon the happening of a specified event or upon a given date and either at the option of the Company or the holder thereof, they are liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any subsidiary

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iii) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors and their associates which are equivalent to provisions of Hong Kong law prevailing at the time of adoption of the Articles.

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective associates, or if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(v) Disclosure of interest in contracts with the Company or with any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and, upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any Share by reason that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or other proposal in which he or his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters namely:

(aa) the giving of any security or indemnity to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a member or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates; or

(ff) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(vi) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree or failing agreement, equally, except that in such event any Director holding office for only a portion of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he has held office. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with other companies (being subsidiaries of the Company or with which the Company is associated in business), or may make contributions out of the Company's monies to, such schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

In addition, the Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election. There is no shareholding qualification for Directors.

At each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting and the minimum length of the period during which such notices to the Company may be given must be at least 7 days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to the Board or retirement therefrom.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two.

In addition to the foregoing, the office of a Director shall be vacated:

(aa) if he resigns his office by notice in writing delivered to the Company at the registered office or head office of the Company for the time being or tendered at a meeting of the Board;

(bb) if he dies or becomes of unsound mind as determined pursuant to an order made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;

(cc) if, without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated;

(dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) if he is prohibited from being a director by law;

(ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles;

(gg) if he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director and the relevant time period for application for review of or appeal against such requirement has lapsed and no application for review or appeal has been filed or is underway against such requirement; or

(hh) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director or Directors and other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(viii) Borrowing powers

Pursuant to the Articles, the Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The provisions summarised above, in common with the Articles of Association in general, may be varied with the sanction of a special resolution of the Company.

(ix) Register of Directors and officers

Pursuant to the Companies Law, the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers.

(x) Proceedings of the Board

Subject to the Articles, the Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed by the Company by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or in the case of a shareholder being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Alteration of capital

The Company may, by an ordinary resolution of its members, (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; and (e) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

Reduction of share capital – subject to the Companies Law and to confirmation by the court, a company limited by shares may, if so authorised by its Articles of Association, by special resolution, reduce its share capital in any way.

(f) Special resolution – majority required

In accordance with the Articles, a special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than 21 clear days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given. However, except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 clear days' notice has been given.

Under Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen clear days' notice has been given and held in accordance with the Articles. A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(g) Voting rights (generally and on a poll) and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting on a show of hands, every member who is present in person or by proxy or being a corporation, is present by its duly authorised representative shall have one vote, and on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purpose as paid up on the share. Notwithstanding anything contained in the Articles, where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded or otherwise required under the rules of the stock exchange of the Relevant Territory (as defined in the Articles). A poll may be demanded by:

(i) the chairman of the meeting; or

(ii) at least two members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

(iii) any member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(iv) a member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s), be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s), as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(h) Annual general meetings

The Company must hold an annual general meeting each year. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(i) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the assets and liabilities of the Company and of all other matters required by the Companies Law necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account or book or document of the Company except as conferred by the Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarised financial statements to shareholders who has, in accordance with the rules of the stock exchange of the Relevant Territory (as defined in the Articles), consented and elected to receive summarised financial statements instead of the full financial statements. The summarised financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory (as defined in the Articles), and must be sent to the shareholders not less than twenty-one days before the general meeting to those shareholders that have consented and elected to receive the summarised financial statements.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(j) Notices of meetings and business to be conducted thereat

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution must be called by at least 21 days' notice in writing, and any other extraordinary general meeting shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting, and particulars of the resolution(s) to be considered at that meeting, and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the Company's register of members or by leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the member is outside Hong Kong, notice, if given through the post, shall be sent by prepaid airmail letter where available.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the issued shares giving that right.

All business transacted at an extraordinary general meeting shall be deemed special business and all business shall also be deemed special business where it is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of Directors in place of those retiring;

(dd) the appointment of auditors;

(ee) the fixing of the remuneration of the Directors and of the auditors;

(ff) the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than 20% in nominal value of its existing issued share capital (or such other percentage as may from time to time be specified in the rules of the Stock Exchange) and the number of any securities repurchased by the Company since the granting of such mandate; and

(gg) the granting of any mandate or authority to the Board to repurchase securities in the Company.

(k) Transfer of shares

Subject to the Companies Law, all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve provided always that it shall be in such form prescribed by the Stock Exchange and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers in any case in which it in its discretion thinks fit to do so, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share option scheme upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a newspaper circulating generally in Hong Kong or, where applicable, any other newspapers in accordance with the requirements of the Stock Exchange, at such times and for such periods as the Board may determine. The register of members shall not be closed for periods exceeding in the whole 30 days in any year.

Fully paid shares shall be free from any restriction with respect to the right of the holder thereof to transfer such shares (except when permitted by the Stock Exchange) and shall also be free from all liens.

(l) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all members alike.

(m) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(n) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared on the share capital of the Company, the Board may resolve:

(aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, but in the case of joint holders, shall be addressed to the holder whose name stands first in the register of members of the Company in respect of the shares at his address as appearing in the register, or addressed to such person and at such address as the holder or joint holders may in writing so direct. Every such

cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the moneys so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(o) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could

exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that any form issued to a member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(p) Calls on shares and forfeiture of shares

The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice will name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20 per cent per annum as the Board may prescribe.

(q) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. However, the members of the Company will have such rights as may be set forth in the Articles. The Articles provide that for so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of member is closed) without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or outside the Cayman Islands, as its directors may, from time to time, think fit.

(r) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(s) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(t) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, on the shares held by them respectively.

In the event that the Company is wound up (whether the liquidation is voluntary or compelled by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(u) Untraceable members

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

In accordance with the Articles, the Company is entitled to sell any of the shares of a member who is untraceable if:

(i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years;

(ii) upon the expiry of the 12 years and 3 months period (being the 3 months notice period referred to in sub-paragraph (iii)), the Company has not during that time received any indication of the existence of the member; and

(iii) the Company has caused an advertisement to be published in accordance with the rules of the stock exchange of the Relevant Territory (as defined in the Articles) giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the stock exchange of the Relevant Territory (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(v) Subscription rights reserve

Pursuant to the Articles, provided that it is not prohibited by and is otherwise in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 10 March 2006 subject to the Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

As an exempted company, the Company must conduct its operations mainly outside the Cayman Islands. Moreover, the Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

In accordance with the Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) in the redemption and repurchase of shares (in accordance with the detailed provisions of section 37 of the Companies Law);

(iv) writing-off the preliminary expenses of the company;

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(vi) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

Notwithstanding the foregoing, the Companies Law provides that no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

It is further provided by the Companies Law that, subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

The Articles include certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company when proposing to grant such financial assistance discharge their duties of care and acting in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. Nonetheless, if the articles of association do not authorise the manner of purchase, a company cannot purchase any of its own shares without the manner of purchase first being authorised by an ordinary resolution of the company. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see sub-paragraph 2(n) of this Appendix for further details).

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions thereto) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge:

(i) an act which is *ultra vires* the company or illegal;

(ii) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company; and

(iii) an irregularity in the passing of a resolution the passage of which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members thereof holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report thereon.

Moreover, any member of a company may petition the court which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions in the Companies Law on the power of directors to dispose of assets of a company, although it specifically requires that every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interest of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

Section 59 of the Companies Law provides that a company shall cause proper records of accounts to be kept with respect to (i) all sums of money received and expended by the company and the matters with respect to which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company and (iii) the assets and liabilities of the company.

Section 59 of the Companies Law further states that proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council:

(i) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and

(ii) in addition, that no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(aa) on or in respect of the shares, debentures or other obligations of the Company; or

(bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (1999 Revision).

The undertaking for the Company is for a period of twenty years from 28 March 2006.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments. The Cayman Islands are not a party to any double tax treaties.

(k) Stamp duty on transfers

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

The Companies Law contains no express provision prohibiting the making of loans by a company to any of its directors. However, the Articles provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of the company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or outside the Cayman Islands, as the directors may, from time to time, think fit. The Companies Law contains no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

(o) Winding up

A Cayman Islands company may be wound up either by (i) an order of the court or (ii) voluntarily by a special resolution of its members. The court also has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company occurs where the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or where the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above. Upon appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no further executive action may be carried out without his approval.

A company is placed in liquidation either by an order of the court or by a special resolution of its members. A liquidator is appointed whose duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and discharge the company's liability to them, ratably if insufficient assets exist to discharge the liabilities in full, and settle the list of contributories ("members") and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets.

When the affairs of a company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This general meeting shall be called by public notice or such other means as the Registrar of Companies may direct.

For the purpose of conducting the proceedings in winding up a company and assisting the court, there may be appointed one or more persons to be called an official liquidator or official liquidators; and the court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one persons are appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(p) Reconstructions

Reconstructions and amalgamations are governed by specific statutory provisions under the Companies Law whereby such arrangements may be approved by a majority in number representing 75% in value of members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member would have the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, nonetheless the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(q) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(r) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, have sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix VII to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation of the Company

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company on 10 March 2006. The Company has established a principal place of business in Hong Kong at Units 8-10, 8th Floor, Cornell Centre, 50 Wing Tai Road, Chai Wan, Hong Kong and was registered as an oversea company in Hong Kong under Part XI of the Companies Ordinance on 13 June 2006. In connection with such registration, Mr. Yiu Ho Chi Stephen has been appointed as the agent of the Company for the acceptance of service of process and any notices served on the Company in Hong Kong.

As the Company is incorporated in the Cayman Islands, its operation is subject to the Companies Law and to its constitution which comprises the Memorandum and the Articles. A summary of various parts of the constitution and relevant aspects of the Companies Law is set out in Appendix V to this prospectus.

2. Changes in share capital of the Company

(a) As at the date of incorporation of the Company, its authorised share capital was HK$380,000 divided into 38,000,000 Shares of HK$0.01 each, one of which was issued and allotted nil paid to Reid Services Limited, the subscriber to the memorandum and articles of association of the Company.

(b) On 10 March 2006, Reid Services Limited transferred the one nil paid subscriber's share to Perfect Group at a consideration of HK$0.01.

(c) Pursuant to the Reorganisation and as consideration for the acquisition by the Company of 1 ordinary share of US$1.00 each in the issued capital of Jumbo Match, on 30 March 2006, 8,964 Shares, all credited as fully paid, were issued and allotted to Perfect Group. In addition, the Company credited as fully paid at par the one nil paid Share then held by Perfect Group on 30 March 2006.

(d) On 30 May 2006, pursuant to a subscription agreement (as supplemented by a supplemental agreement dated 21 December 2007) entered into between, inter alia, the Company and Rich Growth (as investor) and dated 16 May 2006, the Company issued and allotted 1,035 Shares, all credited as fully paid, to Rich Growth at a consideration of HK$23,280,000.

(e) On 5 November 2008, Rich Growth exercised the put option provided in the subscription agreement mentioned in paragraph (d) above to sell the 1,035 Shares to Perfect Group at a consideration of HK$26,073,600. On 5 December 2008, the 1,035 Shares were transferred to Perfect Group at such consideration.

(f) On 5 February 2009, the sole Shareholder resolved to increase the authorised share capital of the Company from HK$380,000 to HK$20,000,000 by the creation of an additional 1,962,000,000 Shares.

(g) Immediately upon completion of the Share Offer and Capitalisation Issue but taking no account of any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme, 280,000,000 Shares will be issued as fully paid or credited as fully paid and 1,720,000,000 Shares will remain unissued. Other than pursuant to the exercise of the options to be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of the Company and without the prior approval of the members of the Company in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

(h) Save as mentioned above, there has been no alteration in the share capital of the Company.

3. Written resolutions of the sole Shareholder passed on 5 February 2009

By written resolutions of the sole Shareholder passed on 5 February 2009:

(a) the Company approved and adopted a new Memorandum and the Articles;

(b) the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by the creation of an additional 1,962,000,000 Shares of HK$0.01 each, ranking pari passu with the existing Shares in all respects;

(c) conditional on the Listing Committee granting listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus including any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30 days after the date of this prospectus:

(i) the Share Offer was approved and the Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer; and

(ii) conditional further upon the Listing Committee granting the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of the options granted under the Share Option Scheme, the rules of the Share Option Scheme were approved and adopted and the Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of subscription rights attaching to any options granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme; and

(iii) conditional further on the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to capitalise an amount of HK$2,099,900 standing to the credit of the share premium account of the Company and to appropriate such amount as to capital to pay up in full at par 209,990,000 Shares for allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 5 February 2009 in proportion (as nearly as possible without involving fractions) to their then existing shareholdings in the Company, each ranking pari passu in all respects with the then existing issued Shares, and the Directors were authorised to give effect to such capitalisation and distributions.

(d) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights or an issue of Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme or any other share scheme of the Company or any shares of the Company allotted in lieu of the whole or part of a dividend on shares of the Company in accordance with the Memorandum and the Articles or pursuant to a specific authority granted by the shareholders of the Company or pursuant to the Share Offer, Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue such mandate to remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; and

(iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting;

(e) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate of the nominal value of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue, such mandate to remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; and

(iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting; and

(f) the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue.

4. Corporate reorganisation

The companies comprising the Group underwent a reorganisation to streamline and rationalise the Group's structure in preparation for the listing of the Shares on the Stock Exchange, pursuant to which the Company became the holding company of the Group.

The Group underwent the following restructuring:

(a) the Company was incorporated on 10 March 2006.

(b) On 10 March 2006, 1 Share was issued and allotted nil paid to Reid Services Limited and was transferred to Perfect Group on the same date.

(c) On 9 September 2005, Jumbo Match was incorporated in the BVI with limited liability with an authorised capital of US$50,000 divided into 50,000 shares of US$1.00 each. On 10 September 2005, 1 share in Jumbo Match was issued and allotted by Jumbo Match to Davies Nominees Limited, the subscriber of Jumbo Match.

(d) On 7 March 2006, Davies Nominees Limited transferred 1 share in Jumbo Match to Perfect Group at a consideration of US$1.

(e) On 30 March 2006, pursuant to the agreement referred to in item (a), and the instrument of transfer and bought and sold notes referred to in items (b) and (c) of the paragraph headed "Summary of material contracts" in this Appendix, City Clock Limited transferred 900,000 shares of HK$1.00 each in Wah Ming, representing 45% shareholding in Wah Ming, to Grand View. As consideration of the aforesaid transfer of shares, Grand View issued and allotted 150 shares of US$1.00 each, credited as fully paid, each to Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam, who respectively held 34 shares, 33 shares and 33 shares of US$1.00 each in City Clock Limited (in aggregate being the entire issued share capital of City Clock Limited).

(f) On 30 March 2006, pursuant to the sale and purchase agreement referred to in item (d) and the instruments of transfer referred to in items (e) and (f) of the paragraph headed "Summary of material contracts" in this Appendix, Mr. Chong and Mr. Chong Wa Pan transferred 10,800,000 shares and 2,700,000 shares of US$1.00 each in Come Sure Holdings (in aggregate being the entire issued share capital of Come Sure Holdings) respectively to Jumbo Match. As consideration of the aforesaid transfers of shares, Perfect Group, being the then 100% holding company of Jumbo Match, issued and allotted 7,902 shares and 1,976 shares of US$1.00 each, credited as fully paid, respectively to Mr. Chong and Mr. Chong Wa Pan.

(g) On 30 March 2006, pursuant to the sale and purchase agreement referred to in item (g) and the instruments of transfer referred to in items (h), (i), (j) and (k) of the paragraph headed "Summary of material contracts" in this Appendix, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam transferred 550 shares, 150 shares, 150 shares and 150 shares of US$1.00 each in Grand View (in aggregate being the entire issued share capital of Grand View) respectively to Jumbo Match. As consideration of the aforesaid transfers of shares, Perfect Group, being the then 100% holding company of Jumbo Match, issued and allotted 67 shares, 18 shares, 18 shares and 18 shares of US$1.00 each, credited as fully paid, respectively to Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam.

(h) On 30 March 2006, pursuant to the sale and purchase agreement referred to in item (l) and the instrument of transfer referred to in item (m) of the paragraph headed "Summary of material contracts" in this Appendix, Perfect Group transferred 1 share of US$1.00 each in Jumbo Match (being the entire issued share capital of Jumbo Match) to the Company. As consideration of the aforesaid transfer of share, the Company (i) issued and allotted 8,964 Shares, credited as fully paid, to Perfect Group and (ii) credit as fully paid the 1 nil paid share held by Perfect Group.

(i) On 30 May 2006, pursuant to the subscription agreement referred to in item (n) of the paragraph headed "Summary of material contracts" in this Appendix, the Company issued and allotted 1,035 Shares, all credited as fully paid to Rich Growth at a consideration of HK$23,280,000.

(j) On 6 October 2006, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam transferred 1,994, 18 and 18 shares respectively in Perfect Group to Mr. Chong for nominal consideration.

(k) In order to streamline the corporate structure of the Group, on 28 November 2006, pursuant to the instrument of transfer and bought and sold notes referred to in items (o) and (p) of the paragraph headed "Summary of material contracts" in this Appendix, Come Sure Holdings transferred 1,000,000 shares of HK$1.00 each in Century Shiny (being the entire issued share capital of Century Shiny) to Mr. Chong at a consideration of HK$865,492.89.

(l) In order to streamline the corporate structure of the Group, on 28 November 2006, pursuant to the instrument of transfer and bought and sold notes referred to in items (q) and (r) of the paragraph headed "Summary of material contracts" in this Appendix, Come Sure Holdings transferred 1,000,000 shares of HK$1.00 each in China Apex (being the entire issued share capital of China Apex) to Mr. Chong at a consideration of HK$776,328.83.

(m) On 13 August 2007, pursuant to the instrument of transfer and bought and sold notes referred to in items (s) and (t) of the paragraph headed "Summary of material contracts" in this Appendix, Mr. Chong transferred 10,000 shares of HK$1.00 each in Bright Leader Holdings (being the entire issued capital of Bright Leader Holdings) to Jumbo Match at a consideration of HK$10,000.

(n) On 18 March 2008, pursuant to the instrument of transfer and bought and sold notes referred to in items (w) and (x) of the paragraph headed "Summary of material contracts" in this Appendix, GNL08 Limited transferred 1 share of HK$1.00 (being the subscriber share) in Keen Rise to Jumbo Match at a consideration of HK$1.00.

(o) On 5 December 2008, Rich Growth transferred 1,035 Shares to Perfect Group at a consideration of HK$26,073,600.

(p) On 2 February 2009, pursuant to the sale and purchase agreement, instrument of transfer, bought and sold notes and assignment of shareholder's loan in items (gg), (hh), (ii) and (jj) of the paragraph headed "Summary of material contracts" in this Appendix, Mr. Chong transferred 1,000,000 Shares of HK$1.00 in Century Shiny (being the entire issued share capital of Century Shiny) to Jumbo Match at a consideration of approximately HK$865,000, which was equivalent to the consideration received from Mr. Chong when the Group disposed of Century Shiny to Mr. Chong in November 2006 together with a shareholder's loan in the amount of approximately HK$28,395,000 at cost.

(q) On 3 February 2009 Mr. Chong transferred 10,000 shares in Perfect Group (being the entire issued share capital of Perfect Group) to Jade City Assets Limited, which is 100% owned by HSBC International Trustee Limited as trustee of the CHONG Family Trust.

5. Changes in share capital of subsidiaries

The subsidiaries of the Company are listed in the Accountants' Report of the Group set out in Appendix I to this prospectus. In addition to the alterations described in paragraph 4 above, the following changes in share capital of each of the subsidiaries of the Company took place within the two years immediately preceding the date of this prospectus:

Come Sure Shenzhen

(a) On 25 September 2007, Come Sure Shenzhen received its increased registered capital of HK$48,500,000.00.

On 17 December 2007, Come Sure Shenzhen received its increased registered capital of HK$52,980,000.00.

Bright Leader Shenzhen

(b) On 27 July 2007, Bright Leader Shenzhen was established in the PRC as a wholly foreign owned enterprise with a registered capital of RMB15,000,000. As at the Latest Practicable Date, RMB13,000,000 has been paid up.

Keen Rise

(c) On 18 March 2008, GNL08 Limited transferred 1 share of HK$1.00 (being the subscriber share) in Keen Rise to Jumbo Match at a consideration of HK$1.00. On the same date, Keen Rise allotted and issued 99 shares of HK1.00 each at par to Jumbo Match.

Save as set out above, there has been no alteration on the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this prospectus.

6. Repurchase by the Company of its Shares

This section includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Company of its Shares.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, this more important of which are summarised below:

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to written resolutions of the sole Shareholder passed on 5 February 2009, a general unconditional mandate (the "Repurchase Mandate") was given to the Directors authorising the Directors to exercise all the powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the SFC and the Stock Exchange for this purpose, Shares of up to 10% of aggregate nominal value of the Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue. The Repurchase Mandate shall remain in effect until whichever is the earliest of the conclusion of the next annual general meeting of the Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; the date by which the next annual general meeting of the Company is required by any applicable Cayman Islands law or the Memorandum and the Articles to be held, or the passing of by an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the Directors.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchases by the Company may be made out of profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or out of the Company's share premium account before or at the time the shares are repurchased or, if authorised by the Articles and subject to the Companies Law, out of capital.

(iii) Connected parties

The Listing Rules prohibit a company from knowingly repurchasing its shares on the Stock Exchange from a "connected person", which includes a director, chief executive or substantial shareholder of the company or any of its subsidiaries or an associate of any of them and a connected person shall not knowingly sell shares to the company.

(b) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

(c) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 280,000,000 Shares in issue after completion of the Share Offer could accordingly result in up to 28,000,000 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

(d) Funding of repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(e) General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. The Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus (or if earlier, are contracts entered into by members of the Group in connection with the Reorganisation) and are or may be material:

(a) an agreement dated 30 March 2006 between City Clock Limited as vendor, Grand View as purchaser and Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam as warrantors for the transfer of 900,000 shares of HK$1.00 each in Wah Ming. As consideration of the aforesaid transfer of shares, Grand View issued and allotted 150 shares of US$1.00 each, credited as fully paid, each to Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam, who respectively held 34 shares, 33 shares and 33 shares of US$1.00 each in City Clock Limited (in aggregate being the entire issued share capital of City Clock Limited);

(b) an instrument of transfer dated 30 March 2006 made between City Clock Limited as transferor and Grand View as transferee for the transfer of 900,000 shares of HK$1.00 each in Wah Ming, the consideration of which was as stated in (a);

(c) bought and sold notes dated 30 March 2006 made between City Clock Limited and Grand View for the transfer of 900,000 shares of HK$1.00 each in Wah Ming, the consideration of which was as stated in (a);

(d) a sale and purchase agreement dated 30 March 2006 between Mr. Chong and Mr. Chong Wa Pan as vendors and Jumbo Match as purchaser for the transfer of 10,800,000 shares and 2,700,000 shares of US$1.00 each respectively in Come Sure Holdings. As consideration of the aforesaid transfers of shares, Perfect Group, being the then 100% holding company of Jumbo Match, issued and allotted 7,902 shares and 1,976 shares of US$1.00 each, credited as fully paid, respectively to Mr. Chong and Mr. Chong Wa Pan;

(e) an instrument of transfer dated 30 March 2006 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 10,800,000 shares of US$1.00 each in Come Sure Holdings, the consideration of which was as stated in (d);

(f) an instrument of transfer dated 30 March 2006 made between Mr. Chong Wa Pan as transferor and Jumbo Match as transferee for the transfer of 2,700,000 shares of US$1.00 each in Come Sure Holdings, the consideration of which was as stated in (d);

(g) a sale and purchase agreement dated 30 March 2006 between Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam as vendors and Jumbo Match as purchaser for the transfer of 550 shares, 150 shares, 150 shares and 150 shares of US$1.00 each respectively in Grand View. As consideration of the aforesaid transfers of shares, Perfect Group, being the then 100% holding company of Jumbo Match, issued and allotted 67 shares, 18 shares, 18 shares and 18 shares of US$1.00 each, credited as fully paid, respectively to Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam;

(h) an instrument of transfer dated 30 March 2006 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 550 shares of US$1.00 each in Grand View, the consideration of which was as stated in (g);

(i) an instrument of transfer dated 30 March 2006 made between Mr. Chong Wa Pan as transferor and Jumbo Match as transferee for the transfer of 150 shares of US$1.00 each in Grand View, the consideration of which was as stated in (g);

(j) an instrument of transfer dated 30 March 2006 made between Mr. Chong Wa Ching as transferor and Jumbo Match as transferee for the transfer of 150 shares of US$1.00 each in Grand View, the consideration of which was as stated in (g);

(k) an instrument of transfer dated 30 March 2006 made between Mr. Chong Wa Lam as transferor and Jumbo Match as transferee for the transfer of 150 shares of US$1.00 each in Grand View, the consideration of which was as stated in (g);

(l) a sale and purchase agreement dated 30 March 2006 between Perfect Group as vendor and warrantor, the Company as purchaser and Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam as warrantors for the transfer of 1 share of US$1.00 each in Jumbo Match (being the entire issued share capital of Jumbo Match). As consideration of the aforesaid transfer of share, the Company (i) issued and allotted 8,964 Shares, credited as fully paid, to Perfect Group and (ii) credited as fully paid the 1 nil paid share held by Perfect Group;

(m) an instrument of transfer dated 30 March 2006 made between Perfect Group as transferor and the Company as transferee for the transfer of 1 share of US$1.00 each in Jumbo Match, the consideration of which was as stated in (l);

(n) a subscription agreement dated 16 May 2006 and entered into between, inter alia, the Company and Rich Growth (as investor), pursuant to which on 30 May 2006 the Company issued and allotted 1,035 Shares, all credited as fully paid, to Rich Growth at a consideration of HK$23,280,000;

(o) an instrument of transfer dated 28 November 2006 made between Come Sure Holdings as transferor and Mr. Chong as transferee for the transfer of 1,000,000 shares of HK$1.00 each in Century Shiny Investment Limited, the consideration of which was HK$865,492.89;

(p) bought and sold notes dated 28 November 2006 made between Come Sure Holdings and Mr. Chong for the transfer of 1,000,000 shares of HK$1.00 each in Century Shiny Investment Limited, the consideration of which was as stated in (o);

(q) an instrument of transfer dated 28 November 2006 made between Come Sure Holdings as transferor and Mr. Chong as transferee for the transfer of 1,000,000 shares of HK$1.00 each in China Apex Investment Limited, the consideration of which was HK$776,328.83;

(r) bought and sold notes dated 28 November 2006 made between Come Sure Holdings and Mr. Chong for the transfer of 1,000,000 shares of HK$1.00 each in China Apex Investment Limited, the consideration of which was as stated in (q);

(s) an instrument of transfer dated 13 August 2007 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 10,000 shares of HK$1.00 each in Bright Leader Holdings, the consideration of which was HK$10,000;

(t) bought and sold notes dated 13 August 2007 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 10,000 shares of HK$1.00 each in Bright Leader Holdings, the consideration of which was HK$10,000;

(u) 18 sale and purchase contracts all dated 4 September 2007 with the following contract numbers:

Shen (Bao) Fang Xian Mai Zi (2007) 19710,
Shen (Bao) Fang Xian Mai Zi (2007) 19716,
Shen (Bao) Fang Xian Mai Zi (2007) 19712,
Shen (Bao) Fang Xian Mai Zi (2007) 19714,
Shen (Bao) Fang Xian Mai Zi (2007) 19718,
Shen (Bao) Fang Xian Mai Zi (2007) 19721,
Shen (Bao) Fang Xian Mai Zi (2007) 19723,
Shen (Bao) Fang Xian Mai Zi (2007) 19705,
Shen (Bao) Fang Xian Mai Zi (2007) 19707,
Shen (Bao) Fang Xian Mai Zi (2007) 19711,
Shen (Bao) Fang Xian Mai Zi (2007) 19702,
Shen (Bao) Fang Xian Mai Zi (2007) 19719,
Shen (Bao) Fang Xian Mai Zi (2007) 19722,
Shen (Bao) Fang Xian Mai Zi (2007) 19709,
Shen (Bao) Fang Xian Mai Zi (2007) 19720,
Shen (Bao) Fang Xian Mai Zi (2007) 19713,
Shen (Bao) Fang Xian Mai Zi (2007) 19717 and
Shen (Bao) Fang Xian Mai Zi (2007) 19698

made between Come Sure Shenzhen as transferor and Bright Leader Shenzhen as transferee in relation to transfer of certain properties located at Sha Huan South Road South Side, Shajing County, Baoan District at an aggregate consideration of RMB10,112,053.01;

(v) a supplemental agreement to the subscription agreement mentioned in (n) above dated 21 December 2007 between the same parties pursuant to which certain terms (including reference dates and certain covenants) of the said subscription agreement were modified;

(w) an instrument of transfer dated 18 March 2008 made between GNL08 Limited as transferor and Jumbo Match as transferee for the transfer of 1 share of HK$1.00 each in Keen Rise, the consideration of which was HK$1.00;

(x) bought and sold notes dated 18 March 2008 made between GNL08 Limited as transferor and Jumbo Match as transferee for the transfer of 1 share of HK$1.00 each in Keen Rise, the consideration of which was HK$1.00;

(y) a lease contract dated 20 May 2008 made between Shenzhen Shajing Hongtian Joint Stock Cooperative Company as lessor and Come Sure Shenzhen as lessee in relation to premises located at Block D, Hong Tian Kang Wei Tang Three Road, Sha Jing, Baoan District, Shenzhen at a monthly rental of RMB531,263 for the period from 20 May 2008 to 19 May 2013;

(z) a lease contract dated 20 May 2008 made between Bright Leader Shenzhen as lessor and Come Sure Shenzhen as lessee in relation to dormitory premises located at No.1 An Sheng Road, Ma'an Shan, Shajing, Baoan District, Shenzhen at a monthly rental of RMB24,992 for the period from 20 May 2008 to 19 May 2013;

(aa) a lease contract dated 20 May 2008 made between Bright Leader Shenzhen as lessor and Come Sure Shenzhen as lessee in relation to factory premises located at No.1 An Sheng Road, Ma'an Shan, Shajing, Baoan District, Shenzhen at a monthly rental of RMB111,320, for the period from 20 May 2008 to 19 May 2013;

(bb) a conditional subscription agreement dated 24 May 2008 made between the Company, Perfect Group and Mr. Chong as warrantors and Mr. Lee Man Chun, Raymond as subscriber pursuant to which the subscriber has conditionally agreed to subscribe, or procure one or more of his affiliates to subscribe in the Share Offer for new Shares representing 2.5% of the total enlarged share capital of the Company upon Listing at the final Offer Price per Share being subscribed;

(cc) a conditional subscription agreement dated 27 May 2008 made between the Company, Perfect Group and Mr. Chong as warrantors and Mr. Zhang Cheng Fei as subscriber pursuant to which the subscriber has conditionally agreed to subscribe, or procure one or more of his affiliates to subscribe in the Share Offer for new Shares representing 5% of the total enlarged share capital of the Company upon Listing at the final Offer Price per Share being subscribed;

(dd) a state-owned land use right transfer contract dated 17 September 2008 made between Huidong County State-Owned Land Resources Bureau as transferor and Come Sure Huizhou as transferee (contract number: 441323-2008-000033) in relation to the Huidong Land at a consideration of RMB21,592,500;

(ee) a settlement deed dated 4 December 2008 between the same parties to the subscription agreement in (n) (as supplemented by the supplemental agreement in (v)) pursuant to which the relevant parties agreed on the final settlement of the said subscription agreement;

(ff) an escrow letter dated 5 December 2008 between the Company's Hong Kong legal advisers, Rich Growth and the Company in relation to the escrow agreement of a confirmation of Rich Growth;

(gg) a sale and purchase agreement dated 30 January 2009 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 1,000,000 Shares of HK$1.00 each in Century Shiny, the consideration of which was HK$865,492.89 together with a shareholder's loan in the amount of HK$28,395,237.83 at cost;

(hh) an instrument of transfer dated 2 February 2009 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 1,000,000 Shares of HK$1.00 each in Century Shiny, the consideration of which was HK$865,492.89;

(ii) bought and sold notes dated 2 February 2009 made between Mr. Chong as transferor and Jumbo Match as transferee for the transfer of 1,000,000 Shares of HK$1.00 each in Century Shiny, the consideration of which was HK$865,492.89;

(jj) an assignment of shareholder's loan dated 2 February 2009 in relation to Century Shiny in the amount of HK$28,395,237.83 between Mr. Chong as assignor, Jumbo Match as assignee and Century Shiny;

(kk) a non-competition deed dated 5 February 2009 between Perfect Group and the Company;

(ll) a non-competition deed dated 5 February 2009 between Mr. Chong and the Company;

(mm) a non-competition deed dated 5 February 2009 between Mr. Chong Wa Pan and the Company;

(nn) a non-competition deed dated 5 February 2009 between Mr. Yiu Ho Chi Stephen and the Company;

(oo) a non-competition deed dated 5 February 2009 between Mr. Chong Wa Ching and the Company;

(pp) a non-competition deed dated 5 February 2009 between Mr. Chong Wa Lam and the Company;

(qq) the Public Offer Underwriting Agreement; and

(rr) the Deed of Indemnity dated 13 February 2009 entered into between Perfect Group, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching, Mr. Chong Wa Lam and the Company referred to in Section E "Other Information" in this Appendix.

2. Intellectual property rights

Trademark

As at the Latest Practicable Date, the Group had registered the following trademark in the PRC:

Trademark	Registered Owner	Class	Registration Number	Expiry Date
COME SURE 錦勝	Come Sure Shenzhen	16	3562919	13 April 2015

The following products are covered by the above class of trademarks:

Class	Specification
16	Paper; paper or paperboard show card; printed matters; paperboard boxes or paper boxes; paper container; sticker (stationery); cardboard; paperboard or paper-made bottle containers; kraft board; published materials

As at the Latest Practicable Date, the Group has registered of the following trademarks in Hong Kong:

Trademark	Registered Owner	Class	Trade Mark Number	Expiry Date
COME SURE	Come Sure Development	16, 40, 42	300774199	5 December 2016
錦勝	Come Sure Development	16, 40, 42	300774171	5 December 2016
COME SURE	Come Sure Development	16, 40, 42	300774216	5 December 2016

The following products and/or services are covered by the respective classes of trademarks:

Class	Specification
16	Paper; paper or paperboard show card; paperboard products; paperboard for containers; water-proof paperboard; corrugated paper (paperboard); paperboard cap boxes; paper or plastic bags for packaging (envelop, small bag); paperboard boxes or paper boxes; paperboard or paper-made bottle containers; paperboard for bottles or paper packaging; paper containers; packaging materials from plastic foam
40	Printing
42	Packaging design

3. Information about the PRC Subsidiaries of the Group

Come Sure Shenzhen

Date of incorporation	:	23 December 1992
Economic nature	:	Wholly foreign owned enterprise
Present member and percentage of shareholding	:	Come Sure Development Limited (100%)
Total investment	:	RMB253,980,000
Total registered capital	:	RMB248,980,000 (fully paid up)
Attributable interest of the Company	:	100%
Term	:	From 23 December 1992 to 23 December 2042
Nature of business	:	Manufacture of various types of corrugated paper box, paper box and packing adhensive tapes and plastic tapes

Bright Leader Shenzhen

Date of incorporation	:	27 July 2007
Economic nature	:	Wholly foreign owned enterprise
Present member and percentage of shareholding	:	Bright Leader Holdings (100%)
Total registered capital	:	RMB15,000,000 (out of which RMB13,000,000 has been paid up)
Attributable interest of the Company	:	100%
Term	:	From 27 July 2007 to 27 July 2027
Nature of business	:	Import and export of goods and technology (excluding distribution and goods under the state's monopoly); leasing of self-owned properties

Come Sure Huizhou

Date of incorporation	:	24 January 2006
Economic nature	:	Wholly foreign owned enterprise
Present member and percentage of shareholding	:	Century Shiny (100%)
Total registered capital	:	RMB22,000,000 (out of which RMB 5,000,000 has been paid up)
Attributable interest of the Company	:	100%
Term	:	From 24 January 2006 to 10 December 2009
Nature of business	:	Production and sale of various types of paper products and packaging materials (except printed matters) proportions of products for export and domestic sale are to be determined according to the circumstances (enterprise is in the course of setting up; operation is not allowed)

C. FURTHER INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND EXPERTS

1. Disclosure of interests

(a) Immediately following the completion of the Share Offer and the Capitalisation Issue and taking no account of the Shares to be issued pursuant to options which may be granted under the Share Option Scheme, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which, once the Shares are listed on the Stock Exchange, will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, will be as follows:

Long positions in the Shares

Name	Capacity/Nature	Number of Shares	Percentage of issued Shares
Mr. Chong *(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	Approximate percentage shareholding
Mr. Chong *(Notes 1 & 2)*	Perfect Group	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	Beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. Chong Wa Ching *(Notes 1 & 3)*	Perfect Group	Beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. Chong Wa Lam *(Notes 1 & 3)*	Perfect Group	Beneficiary of a discretionary trust	10,000 ordinary shares	100%

Notes:

1. The entire issued shares of Perfect Group are held by Jade City Assets Limited, which is 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.

2. Mr. Chong is the founder, an executive Director, President of the Group and the Chairman of the Board. Mr. Chong is the sole director of Perfect Group and therefore Mr. Chong is deemed or taken to be interested in the entire issued shares of Perfect Group and the 210,000,000 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 the 210,000,000 Shares held by Perfect Group 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 and the 210,000,000 Shares held by Perfect Group under the SFO.

(b) So far as is known to the Directors and save as disclosed in this prospectus and taking no account of any Shares which may be taken up under the Share Offer and Shares to be issued pursuant to options which may be granted under the Share Option Scheme, the following persons (not being a Director or chief executive of the Company) will, immediately following the completion of the Share Offer have interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares

Name	Capacity/Nature	Number of Shares	Percentage of issued Shares
Perfect Group *(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%

Notes:

1. The entire issued shares of Perfect Group are held by Jade City Assets Limited, which is 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 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 and one of the beneficiaries of the CHONG Family Trust, is deemed or taken to be interested in the interests held by Mr. Chong and Perfect Group under the SFO.

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.

2. Particulars of service agreements

(a) Each of Mr. Chong, Mr. Chong Wa Pan, Mr. Yiu Ho Chi Stephen, Mr. Chong Wa Ching and Mr. Chong Wa Lam being all the executive Directors, has entered into a service agreement with the Company for an initial term of two years commencing from the Listing Date, subject to the termination provisions therein.

(b) Each of the executive Directors is entitled to a basic salary as set out below which will be reviewed at the discretion of the Board after such executive Director has completed 12 months of service:

Name of Director	**Basic Annual Salary** *(HK$)*
Chong Kam Chau	1,380,000
Chong Wa Pan	650,000
Yiu Ho Chi, Stephen	650,000
Chong Wa Ching	455,000
Chong Wa Lam	325,000

(c) Each of the executive Directors is also entitled to a discretionary bonus to be determined by the Board by reference to the audited consolidated net profits of the Group after taxation and minority interests but before extraordinary items provided that the aggregate amount of discretionary bonuses payable to all executive Directors of the Company in respect of any financial year of the Group shall not exceed 10% of the audited consolidated or combined net profits attributable to shareholders of the Company after taxation and minority interests but before extraordinary and exceptional items of the Group for the relevant financial year.

(d) Each of Mr. Law Tze Lun, Ms. Tsui Pui Man and Mr. Chau On Ta Yuen has been appointed by the Company as an independent non-executive Director for a term of two years commencing on the Listing Date. Each of the independent non-executive Directors or the Company may terminate the appointment at any time during the two-year term by giving the other party at least one month's notice in writing. Each of the independent non-executive Directors is entitled to a basic annual director fee as set out below, which is determined by the Board in its absolute discretion:

Name of Director	**Basic annual director fee** *(HK$)*
Chau On Ta Yuen	80,000
Tsui Pui Man	80,000
Law Tze Lun	80,000

(e) Save as disclosed in this prospectus, no Director has entered into any service agreement with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' remuneration

(a) The aggregate amount of remuneration paid to the Directors by the Group in respect of the three years ended 31 March 2008 were approximately HK$3.0 million, HK$3.8 million and HK$3.2 million respectively.

(b) Under the arrangements currently in force, the aggregate emoluments payable by the Group to the Directors (including the independent non-executive Directors) for the year ending 31 March 2009 will be approximately HK$3.7 million.

4. Fees or commission received

Save as disclosed in this prospectus, none of the Directors or the experts named in the paragraph headed "Consents of experts" in this Appendix had received any agency fee or commissions from the Group within the two years preceding the date of this prospectus.

5. Related party transactions

Details of the related party transactions are set out under note 36 to the Accountants' Report of the Group set out in Appendix I to this prospectus.

6. Disclaimers

Save as disclosed in this prospectus, as at the Latest Practicable Date:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;

(b) none of the Directors or the experts named in the paragraph headed "Consents of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(c) none of the Directors or the experts named in the paragraph headed "Consents of experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;

(d) taking no account of Shares which may be taken up under the Share Offer or Shares to be issued pursuant to options which may be granted under the Share Option Scheme, none of the Directors knows of any person (not being a Director or chief executive of the Company) who will, immediately following completion of the Share Offer and the Capitalisation Issue, have any interest in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group; and

(e) none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which, once the Shares are listed on the Stock Exchange, will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

D. SHARE OPTION SCHEME

(a) Definitions

For the purpose of this paragraph D, the following expressions have the meanings set out below unless the context requires otherwise:

"Adoption Date"	5 February 2009, the date on which the Share Option Scheme is conditionally adopted by the sole Shareholder by way of written resolution
"Board"	the board of Directors or a duly authorised committee of the board of Directors
"Group"	the Company and any entity in which the Company, directly or indirectly, holds any equity interest
"Scheme Period"	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof

(b) Summary of terms

The following is a summary of the principal terms of the rules of the Share Option Scheme:

(i) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group.

(ii) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant an employee (full-time or part-time), a director, consultant and adviser of the Group, any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with paragraph (iii) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(iii) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer for the grant of the option; and (iii) the nominal value of a Share on the date of offer for the grant of the option.

(iv) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

(v) Maximum number of Shares

(aa) Subject to sub-paragraph (bb) and (cc) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the commencement of the Scheme Period (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the issued Shares upon completion of the Share Offer and the Capitalisation Issue. Therefore, it is expected that the Company may grant options in respect of up to 28,000,000 Shares (or such numbers of shares as shall result from a sub-division or a consolidation of such 28,000,000 Shares from time to time) to the participants under the Share Option Scheme.

(bb) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any

other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to the Shareholders containing the information as required under the Listing Rules in this regard.

(cc) the Company may seek separate approval of the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, and all such other information required under the Listing Rules.

(dd) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company, if this will result in such 30% limit being exceeded.

(vi) Maximum entitlement of each eligible person

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, the Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted (and options previously granted to such participant) must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of offer for the grant for the purpose of calculating the subscription price.

(vii) Grant of options to certain connected persons

(aa) Any grant of an option to a Director, chief executive or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).

(bb) Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:

(i) representing in aggregate over 0.1% of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million.

Such further grant of options is required to be approved by Shareholders at a general meeting of the Company, with voting to be taken by way of poll. All connected persons of the Company shall abstain from voting (except where any connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

(viii) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of offer for grant subject to the provisions of early termination thereof.

(ix) Performance targets

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

(x) Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend

or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment.

(xi) Rights are personal to grantee

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

(xii) Rights on death of grantee

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in (xiii) below arises within a period of 3 years prior to the death, in the case the grantee is an employee), the legal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his death provided that where any of the events referred to in (xvi), (xvii) and (xviii) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

(xiii) Rights on cessation of employment by dismissal

In the event that the grantee is an employee of the Group at the date of grant and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, his option shall lapse automatically (to the extent not already exercised) on the date of cessation of his employment with the Group.

(xiv) Rights on cessation of employment for other reasons

In the event that the grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (xiii) above, the option (to the extent not already exercised) shall lapse on the expiry of 3 months after the date of cessation of such employment (which date will be the last actual working day with the Company or the relevant member of the Group whether salary is paid in lieu of notice or not).

(xv) Effects of alterations to share capital

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is party), such corresponding adjustments (if any) shall be made in the number of Shares subject to options so far as unexercised; and/or subscription price of any unexercised option, as the auditors or an independent financial adviser of the Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the Listing Rules, on any guideline or supplemental guideline issued by the Stock Exchange from time to time (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a grantee as near as possible the same proportion of the issued share capital of the Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a share to be issued at less than its nominal value.

(xvi) Rights on a general offer

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all the Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the grantee (or as the case may be, his legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional.

(xvii) Rights on winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no

later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(xviii) Rights on compromise or arrangement

In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company pursuant to the Companies Law, the Company shall give notice thereof to all the grantees (or as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and the options shall become exercisable on such date until the earlier of 2 months after that date and the date on which such compromise or arrangement is sanctioned by the court of the Cayman Islands and becomes effective.

(xix) Lapse of options

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(aa) the expiry of the period referred to in paragraph (viii) above;

(bb) the date on which the grantee commits a breach of paragraph (xi) above;

(cc) the expiry of the relevant period referred to in paragraph (xii), (xiv), (xvi), (xvii) and (xviii) above;

(dd) subject to (xvii) above, the date of the commencement of the winding-up of the Company;

(ee) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty;

(ff) where the grantee is a substantial shareholder of any member of the Group, the date on which the grantee ceases to be a substantial shareholder of such member of the Group; and

(gg) the occurrence of any event referred to in paragraph (xiii) above.

(xx) Cancellation of options granted but not yet exercised

Any cancellation of options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

(xxi) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on the Adoption Date and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

(xxii) Alteration to the Share Option Scheme

(aa) The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme which alters to the advantage of the grantees of the options relating to matters governed by Rule 17.03 of the Listing Rules shall not be made except with the prior approval of the Shareholders in general meeting.

(bb) Any amendments to any terms of the Share Option Scheme which are of a material nature or any change to the terms of options granted, or any change to the authority of the Board in respect of alteration of the Share Option Scheme must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

(cc) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of the Listing Rules.

(xxiii) Termination to the Share Option Scheme

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

(xxiv) Conditions of the Share Option Scheme

The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(c) Present status of the Share Option Scheme

Application has been made to the Listing Committee for listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of the options granted under the Share Option Scheme.

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme.

E. OTHER INFORMATION

1. Tax and other indemnities

Perfect Group, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam (the "Indemnifiers") have pursuant to the deed of indemnity (the "Deed of Indemnity") referred to in item (rr) of the paragraph headed "Summary of material contracts" of this Appendix given indemnities in connection with, among other things, taxation and related penalty and liability resulting from any income, profits or gains earned, accrued or received on or before the date on which the Share Offer becomes unconditional (the "Effective Date") which might be payable by any member of the Group.

The indemnity in the deed shall not apply in, among others, the following circumstances:

(a) to the extent that provision has been made for such taxation in the audited accounts of the Company or any of its subsidiaries as at 30 September 2008; or

(b) to the extent that liability for such taxation would not have arisen but for some act or omission of, or transaction entered into by any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) otherwise than in the course of normal day to day operations or carried out, made or entered into pursuant to a legally binding commitment created on or before the Effective Date;

(c) to the extent that any provisions or reserve made for taxation in the audited accounts of the Company or any member of the Group up to 30 September 2008 is finally established to be an over-provision or an excessive reserve; or

(d) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules or regulations or the interpretation or practice thereof by the relevant tax authority coming into force after the Effective Date or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect.

The Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands or the PRC is likely to fall on the Group.

2. Litigation

As at the Latest Practicable Date, no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

3. Sponsor

The Sponsor has, on behalf of the Company, made an application to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein and any Shares falling to be issued pursuant to the exercise of any options granted under the Share Option Scheme.

4. Preliminary expenses

The preliminary expenses of the Company are estimated to be approximately HK$68,000 and are payable by the Company.

5. Qualifications of experts

The following are the qualifications of the experts who have given their opinion or advice which is contained in this prospectus:

Name	Qualifications
Kingsway Capital	Licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities (as defined under the SFO)
RSM Nelson Wheeler	Certified Public Accountants
Grant Sherman Appraisal Limited	Property valuers
Shu Jin Law Firm	Legal advisers on the PRC law
Teresa Teixeira da Silva, Advogada	Legal advisers on the Macau law
Appleby	Legal advisers on the Cayman Islands law
Appleby	Legal advisers on BVI tax laws
RSM Nelson Wheeler Tax Advisory Limited	Tax consultant
Shenzhen Shangboxin Registered Tax Agents Co. Ltd.	PRC tax agent

6. Consents of experts

Kingsway Capital Limited, RSM Nelson Wheeler, Grant Sherman Appraisal Limited, Shu Jin Law Firm, Teresa Teixeira da Silva, Advogada, Appleby, RSM Nelson Wheeler Tax Advisory Limited and Shenzhen Shangboxin Registered Tax Agents Co. Ltd., have each given and have not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or opinions and/or valuation certificates and/or summary thereof (as the case may be) and references to their names included herein in the form and context in which they are respectively included.

7. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance so far as applicable.

8. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

(b) Cayman Islands

Under the present Cayman Islands law, transfers and other dispositions of Shares are exempt from the Cayman Islands stamp duty.

(c) Consultation with professional advisers

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasised that none of the Company, the Directors or other parties involved in the Share Offer accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

9. Miscellaneous

(a) Save as disclosed in this prospectus:

(i) within the two years preceding the date of this prospectus:

(aa) no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and

(bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries; and

(ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(b) The Directors confirm that save as disclosed in this prospectus, there has not been any material adverse change in the financial or trading position or prospects of the Group since 30 September 2008 (being the date to which the latest audited combined financial statements of the Group were made up).

(c) Save as disclosed in this prospectus, neither the Company nor any of its subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures.

(d) Save as disclosed in this prospectus, none of the persons named in the paragraph headed "Consents of experts" is interested beneficially or non-beneficially in any shares in any member of the Group or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any share in any member of the Group.

(e) All necessary arrangements have been made to ensure the Shares to be admitted into CCASS for clearing and settlement.

(f) There has not been any interruption in the business of the Group which may have or have had a significant effect on the financial position of the Group in the 12 months immediately preceding the date of this prospectus.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were copies of the **WHITE**, **YELLOW** and **PINK** Application Forms, the written consents referred to in the paragraph headed "Consents of experts" in the section headed "Other information" in Appendix VI to this prospectus, copies of the material contracts referred to in the paragraph headed "Summary of material contracts" in the section headed "Further information about the business" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Loong & Yeung Solicitors, Suites 2201-2203, 22/F, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours up to and including 2 March 2009:

(a) the Memorandum and Articles;

(b) the Accountants' Report of the Group prepared by RSM Nelson Wheeler, the text of which is set out in Appendix I to this prospectus;

(c) the Accountants' Report of the CSI Group prepared by RSM Nelson Wheeler, the text of which in set out in Appendix II to this prospectus;

(d) the comfort letter on the unaudited pro forma financial information of the Group prepared by RSM Nelson Wheeler, the text of which is set out in Appendix III to this prospectus;

(e) the letter, summary of valuations and valuation certificates relating to the properties of the Group prepared by Grant Sherman Appraisal Limited, the text of which are set out in Appendix IV to this prospectus;

(f) the letters prepared by Shu Jin Law Firm, the legal advisers to the Company as to the PRC law;

(g) the material contracts referred to in the paragraph headed "Summary of material contracts" in Appendix VI to this prospectus;

(h) the service contracts referred to in the paragraph headed "Particulars of service agreements" in Appendix VI to this prospectus;

(i) the rules of the Share Option Scheme;

(j) the audited financial statements of the companies comprising the Group for each of the three years ended 31 March 2008;

(k) the written consent referred to in the paragraph headed "Consents of experts" in the section headed under "Other information" in Appendix VI to this prospectus;

(l) the Companies Law;

(m) the letter prepared by Appleby summarising certain aspects of Cayman Islands company law referred to in Appendix V to this prospectus;

(n) the tax provision review report prepared by RSM Nelson Wheeler Tax Advisory Limited, the tax consultant of the Company;

(o) the tax report prepared by Shenzhen Shangboxin Registered Tax Agents Co. Ltd., the PRC tax agent of the Company;

(p) the letter prepared by Teresa Teixeira da Silva, Advogada, the Macau legal advisers to the Company as to Macau Law;

(q) the transfer pricing study report prepared by RSM Nelson Wheeler Tax Advisory Limited;

(r) the BVI tax advice prepared by Appleby.