JACKIN INTERNATIONAL HOLDINGS LIMITED
輝影國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 630)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008

The Board of Directors (the "Board") of Jackin International Holdings Limited (the "Company") is pleased to announce the interim condensed consolidated results of the Company and its subsidiaries (the "Group"), for the six months ended 30 June 2008 together with comparative figures for the previous period as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2008	2007
		Unaudited	Unaudited
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**215,589**	179,727
Cost of sales		**(141,156)**	(116,645)
Gross profit		**74,433**	63,082
Other revenue		**2,696**	2,840
Distribution costs		**(13,234)**	(11,539)
Administrative expenses		**(29,681)**	(20,687)
Share-based payment		**(2,300)**	(2,000)
Profit from operations		**31,914**	31,696
Finance costs		**(11,605)**	(8,236)
Profit before taxation	*4*	**20,309**	23,460
Income tax	*5*	**(643)**	(950)
Profit attributable to equity shareholders of the Company		**19,666**	22,510
Dividends payable to equity shareholders of the Company	*6*	**–**	–
		HK cents	*HK cents*
Earnings per share	*7*		
Basic		**2.47**	3.10
Diluted		**2.33**	2.72

* *For identification purpose only*

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**30 June 2008 Unaudited** *HK$'000*	31 December 2007 Audited *HK$'000*
Non-current assets			
Property, plant and equipment		**115,957**	113,225
Intangible assets		**51,338**	49,165
Goodwill		**39,545**	39,545
		206,840	201,935
Current assets			
Inventories		**238,241**	196,319
Trade and other receivables		**251,543**	245,747
Pledged deposits		**–**	1,228
Cash and cash equivalents		**47,646**	39,181
		537,430	482,475
Current liabilities			
Trade and other payables		**76,921**	57,276
Bank and other borrowings		**164,290**	146,653
Obligations under finance leases		**7,997**	7,108
Current taxation		**7,415**	7,111
		256,623	218,148
Net current assets		**280,807**	264,327
Total assets less current liabilities		**487,647**	466,262
Non-current liabilities			
Bank and other borrowings		**41,485**	46,349
Notes payable	*9(ii)*	**76,086**	76,086
Obligations under finance leases		**7,843**	5,323
Deferred tax liabilities		**1,656**	1,656
		127,070	129,414
NET ASSETS		**360,577**	336,848
CAPITAL AND RESERVES			
Share capital	*8(i)*	**79,684**	79,664
Reserves		**280,893**	257,184
TOTAL EQUITY		**360,577**	336,848

Notes:

1. Basis of Preparation

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007.

2. Principal Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007, except for the adoption of new and amended Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2008, as follows:

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[3]

[1] *Effective for annual periods beginning on or after 1 January 2009*

[2] *Effective for annual periods beginning on or after 1 July 2009*

[3] *Effective for annual periods beginning on or after 1 July 2008*

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards or interpretation will have no material impact on the results and the financial position of the Group.

3. Segment Information

	Six months ended 30 June			
	2008		2007	
	Turnover	**Unaudited contribution to profit from operations**	Turnover	Unaudited contribution to profit from operations
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
By business segments				
Remanufacture and sale of computer printing and imaging products	**149,340**	**59,638**	102,300	40,061
Manufacture and sale of data media products	**42,985**	**2,052**	52,645	10,744
Distribution of data media products	**23,264**	**2,205**	24,782	1,774
	215,589	**63,895**	179,727	52,579
Unallocated operating expenses		**(31,981)**		(20,883)
Profit from operations		**31,914**		31,696
Finance costs		**(11,605)**		(8,236)
Profit before taxation		**20,309**		23,460
By geographical segments				
Asia				
– The People's Republic of China (including Hong Kong SAR)	**78,368**		66,107	
– Other regions in Asia	**46,919**		43,959	
Europe	**24,033**		20,873	
North and South America	**66,269**		48,788	
	215,589		179,727	

4. Profit before Taxation

	Six months ended 30 June	
	2008	2007
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Amortisation of goodwill	**–**	–
Amortisation of intangible assets	**4,062**	2,790
Depreciation of property, plant and equipment	**8,442**	6,323

5. Income Tax

	Six months ended 30 June	
	2008	2007
	Unaudited	Unaudited
	HK$'000	*HK$'000*
The charge comprises:		
Profits tax for the period		
Hong Kong	**22**	950
Overseas	**621**	–
	643	950

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profits tax rate by 1% from 17.5% to 16.5% effective from the year of assessment 2008/09. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30 June 2008.

Overseas taxation is calculated at the rates prevailing in the respective jurisdiction.

6. Dividends

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: Nil).

7. Earnings Per Share

(i) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$19,666,000 (30 June 2007: HK$22,510,000) and the weighted average of 796,636,817 ordinary shares (30 June 2007: 725,580,150 ordinary shares) in issue during the period, calculated as follows:

Weighted average number of ordinary shares

	30 June 2008 Number of shares	30 June 2007 Number of shares
Issued ordinary shares at beginning of period	**796,636,817**	687,462,817
Effect of new shares issued under share option scheme	**–**	10,745,000
Effect of new shares issued on exercise of warrants	**–**	27,372,333
Weighted average number of ordinary shares at end of period	**796,636,817**	725,580,150

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2008 is based on the profit attributable to equity shareholders of the Company of HK$19,666,000 (30 June 2007: HK$22,510,000) and the weighted average of 842,725,178 ordinary shares (30 June 2007: 828,630,290) after adjusting for the effects of all dilutive potential ordinary shares calculated as follows:

Weighted average number of ordinary shares (diluted)

	30 June 2008 Number of shares	30 June 2007 Number of shares
Weighted average number of ordinary shares at end of period	**796,636,817**	725,580,150
Effect of deemed issue of ordinary shares in relation to warrants issued	**37,709,416**	77,430,122
Effect of deemed issue of ordinary shares under the Company's share options scheme for nil consideration	**8,378,945**	25,620,018
Weighted average number of ordinary shares (diluted) at end of period	**842,725,178**	828,630,290

8. Share Capital

(i) Authorised and issued share capital

	Number of shares	Amount
		HK$'000
Shares of HK$0.10 each		
Authorised:		
At 1 January 2007 and 1 January 2008	1,000,000,000	100,000
Increase in authorised share capital	1,000,000,000	100,000
At 30 June 2008	2,000,000,000	200,000
Issued and fully paid:		
At 1 January 2007	687,462,817	68,746
Shares issued under share option scheme	36,940,000	3,694
Share issued on exercise of warrants	72,234,000	7,223
At 1 January 2008	796,636,817	79,664
Share issued under share option scheme	200,000	20
At 30 June 2008	796,836,817	79,684

(ii) Terms of unexpired and unexercised share options at period end

Exercise period	Exercise price	**30 June 2008 Number**	30 June 2007 Number
25 January 2005 to 24 January 2015	HK$0.158	**14,639,138**	22,161,766
3 May 2007 to 2 May 2008	HK$0.293	**N/A**	29,200,000
3 May 2008 to 2 May 2009	HK$0.293	**23,650,000**	N/A

Each option entitles the holder to subscribe for one ordinary share in the Company.

(iii) Terms of unexpired and unexercised unlisted warrants at period end

Exercise period	Exercise price	**30 June 2008** **Number**	30 June 2007 Number
24 March 2006 to 23 March 2009 *(Note 1)*	HK$0.130	**65,250,000**	65,250,000
28 December 2007 to 27 June 2010 *(Note 2)*	HK$0.554	**56,317,689**	56,317,689

Each warrant entitles the holder to subscribe for one ordinary share in the Company.

Notes:

(1) Further details of these warrants are set out in note 9(i) to the interim condensed consolidated financial statements.

(2) Further details of these warrants are set out in note 9(ii) to the interim condensed consolidated financial statements.

9. Notes Payable and Unlisted Warrants

(i) Unlisted Warrants issued in 2006

On 24 March 2006, pursuant to several subscription agreements entered into between the Company and certain independent third parties (the "Subscribers"), the Company issued, at zero consideration, to the Subscribers of 137,484,000 unlisted warrants of the Company conferring rights entitling the holders to subscribe for up to $17,872,920 in aggregate in cash for 137,484,000 new shares of $0.1 each of the Company at an initial subscription price of $0.13 per share. The Warrants are exercisable within a period of three years from 24 March 2006 to 23 March 2009.

(ii) Notes Payable and Unlisted Warrants issued in 2007

Pursuant to a subscription agreement (the "Subscription Agreement") entered into between the Company and a substantial shareholder (the "Subscriber") on 14 June 2007, the Company issued, and the Subscriber subscribed for, notes (the "Notes") in the aggregate principal of $78 million on 27 June 2007. The Notes carry interest at a fixed rate of 10% per annum and are repayable by 27 June 2010.

The Notes were secured on the shares of a wholly owned subsidiary of the Company. At 30 June 2008, the carrying value of the net assets of the subsidiary was approximately $81,696,000.

In addition, on 27 June 2007, pursuant to the Subscription Agreements, the Company issued, at zero consideration, to the Subscriber 56,317,689 unlisted warrants (the "Warrants") of the Company conferring rights entitling the holders to subscribe for up to $31,200,000 in aggregate in cash for 56,317,689 new shares of $0.1 each of the Company at an initial subscription price of $0.554 per share. The Warrants are exercisable within a period of two and half years from 28 December 2008 to 27 June 2010. None of these warrants were exercised during the year ended 31 December 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2008, the Group achieved a turnover of approximately HK$215.6 million, representing an increase of 20.0% as compared to HK$179.7 million in six months ended 30 June 2007. The Group recorded a gross profit of HK$74.4 million, with gross profit margin maintained at 34.5%. Profit attributable to equity shareholders achieved to approximately HK$19.7 million, as compared to HK$22.5 million in the same period in 2007.

Review of Operations

The Group maintained leadership in the recycling/ environmental protection industry after it decided to focus on the business of reducing, reusing and recycling used toner cartridges. Remanufacture of recyclable toner cartridges remained as the core business segment of the Group and reported continuous significant growth. Computer media production and media products distribution continued to bring stable revenues to the Group.

Remanufacturing/Recycled toner cartridges

During the review period, the segment recorded a turnover of approximately HK$149.3 million, a substantial 46.0% increase against the last corresponding period, accounting for 69.3% of the Group's total turnover.

Sales to the United States ("US") market grew the fastest, up by 23.4% to HK$55.5 million, as a result of increased yet still competitive product price when compared with products of US manufacturers and increased orders for high-end models with higher profit margins. Instead of affected by the weakened US economy, the business actually thrived as more US customers turn to using environmentally-friendly products at more competitive prices. Other major markets of the Group included Asia Pacific (including Australia) and Europe.

The Group signed a significant and long-term contract with a US-based multinational company that supplies OEM recycled toner cartridges in its own brand names to customers worldwide. It is expected to generate substantial and stable revenue for the Group starting in 2009. Furthermore, the Group considers that it is one of the selected few that holds a business license for remanufacturing of used toner cartridges in the PRC.

To cater for increasing orders, the Group continued to expand production capacity and enhance cost effectiveness. It is currently expanding the facilities for recycling toner components at the production plants in Zhuhai and Shenzhen, the PRC.

Computer media production

Turnover from computer media production was maintained at approximately HK$43.0 million, accounting for 19.9% of the Group's total turnover. Other Asian countries and North and South America accounted for 36.0% and 24.0% of the total sales of the segment respectively. The Group, being the largest supplier in the computer media production industry, enjoys substantial orders from long-term customers, including the largest manufacturer in the US who has outsourced all production to the Group. Although the profit margin was suffered by the RMB appreciation and increase in oil prices and wages, the Group was able to negotiate and effect the price increment with customers during the review period to leverage these adverse factors.

The Group stepped up production automation in previous years, which resulted in enhanced efficiency and less reliance on manual labour, shielding the Group from the impact of new labour contract law taking effect in China.

Distribution of Media Products

Turnover from distribution of media products was approximately HK$23.3 million, representing 10.8% of the Group's total turnover. The Group is able to maintain the profit margin during the review period. Manufacturing and distributing media products primarily in China, the segment reported improved profit benefiting from the RMB appreciation.

The Group will continue to seek distributorship for new computer products, particularly digital imaging and consumable data recording products.

Prospects

With the world becoming more and more aware of the need to protect the environment, the Group expects global demand for recycled products to grow fast and strong, particularly for recycled toner cartridges. Thus, the business will remain as the core business segment and growth driver of the Group in the near future.

To tap the growing market, the Group will continue to expand production capacity, enhance its environmental protection facilities and research and development capabilities to widen its product line. With the continued expansion on big US OEM orders, the Group will use its best endeavor to maintain its inventory levels back to a reasonable level. The Group will also seek to extend business coverage to new markets, such as India, Russia and Mainland China. In addition, it will also explore opportunities to collaborate with reputable companies and for expanding its distribution network. To fulfill the cash flow requirement of expansion, the Group will seek financing for the business.

The Group will strive to defend its leadership in the sectors of computer media production and media products distribution with the aim of sustaining growth of the businesses and their steady turnover contribution to the Group. Moreover, in order to maintain profitability, the Group will continue to shift cost pressure from China’s operation to customers by increasing selling price.

The Group has prosperous outlook in the recycled toner cartridge market. With a solid and extensive customer base making up of renowned global brands, the Group expects robust growth for the business. Our commitment to “reduce, reuse and recycle” is what underscores the high quality of our products and will accordingly ensure the strong performance of the Group in the years ahead.

FINANCIAL REVIEW

Financial Results

For the six months period ended 30 June 2008, the Group recorded a turnover of HK$215.6 millions, representing an increase of 20.0% as compared to HK$179.7 million in the same period in 2007. The Group's profit attributable to equity shareholders amounted to HK$19.7 million for the current period (2007: HK$22.5 million). Basic earnings per share for the current period was HK2.47 cents (2007: HK3.10 cents).

Capital and debt structure

As at 30 June 2008, the Group's total net assets was approximately HK$360.6 million (31 December 2007: HK$336.8 million), representing approximately HK$23.8 million increase compared with that of 31 December 2007, mainly due to the net profit achieved during the period.

As at 30 June 2008, the Group's total borrowings including finance lease obligations increased by HK$16.2 million to HK$221.6 million (31 December 2007: HK$205.4 million), of which HK$172.3 million was payable within one year and HK$49.3 million was payable after one year. The majority of the Group's borrowings were import and export loans which amounted to HK$107.1 million (31 December 2007: HK$93.4 million). Term loans decreased from HK$83.8 million at 31 December 2007 to HK$81.6 million at 30 June 2008. Most of the Group's borrowings are denominated in Hong Kong dollars and subject to floating interest rates. Hence the risk of currency exposure was minimal. The Group's total cash and bank balances amounted to approximately HK$47.6 million as at 30 June 2008 (31 December 2007: HK$39.2 million), representing an increase of approximately HK$8.4 million.

The Group's net debt to equity ratio was kept at 0.7 as at 30 June 2008 (31 December 2007: 0.7), which is determined by total borrowings net of cash and bank balances over total net assets.

Working capital and liquidity

As at 30 June 2008, the Group's current ratio and quick ratio were 2.1 and 1.2 respectively (31 December 2007: 2.2 and 1.3). Inventory turnover on sales increased to 202 days (31 December 2007: 171 days) primarily due to the expansion of remanufactured toner business which raised the required inventory level for production especially for the preparation of coming big US OEM orders and stocking in its distribution channels during the period. It was also due to inventories stocked in our distribution channels to provide quick delivery service to large OEM customers overseas. Receivable turnover increased to 172 days in the period under review (31 December 2007: 171 days) which was mainly due to increase in turnover.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2008, the number of employees of the Group was approximately 1,300. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration package of employees includes salaries, insurance and medical cover, mandatory provident fund and share option scheme. Other employee benefits include educational allowance and discretionary bonuses.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2008, save for the following deviations:

CG Code Provision A.2.1

Under this code provision, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Ms. Ho Yin King, Helena was the Chairman of the Board and the managing director of the Company (The Company regards the role of its managing director to be same as that of chief executive officer under the CG Code) during the six months ended 30 June 2008.

The Company considers that the extensive experience and marketing network established by Ms. Ho is critical for the business and future development of the Company. Hence, the Company believes that it is in the best interest of its shareholders that Ms. Ho will remain the Chairman and the managing director of the Company. However, the Company will review the current structure when and as it becomes appropriate in future.

CG Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, the three independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2008.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Dr. Li Sau Hung, Eddy, Mr. Leung Ka Kui, Johnny and Mr. Chan Kam Kwan, Jason. The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

The 2008 interim report containing all the information required by the Listing Rules will be published on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.irasia.com/listco/hk/jackin/index.htm in due course.

By Order of the Board
Ho Yin King, Helena
Chairman

Hong Kong, 26 September 2008

As at the date of this announcement, Ms. Ho Yin King, Helena, Mr. Ho Fai Keung, Jacky, Mr. Cheung Sze Ming, Ms. Lo Suk King are the executive directors of the Company and Dr. Li Sau Hung, Eddy, Mr. Leung Ka Kui, Johnny and Mr. Chan Kam Kwan, Jason are the independent non-executive directors of the Company.