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 2009

The Board of Directors (the "Board") of Jackin International Holdings Limited (the "Company") announces the interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 together with comparative figures for the previous period as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2009	2008
		Unaudited	Unaudited
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**141,567**	215,589
Cost of sales		**(95,998)**	(141,156)
Gross profit		**45,569**	74,433
Other revenue		**689**	2,696
Distribution costs		**(10,979)**	(13,234)
Administrative expenses		**(33,987)**	(29,681)
Share-based payment		**–**	(2,300)
Profit from operations		**1,292**	31,914
Fair value gain on derivative financial instrument		**7,979**	–
Finance costs		**(21,679)**	(11,605)
(Loss) profit before taxation	*4*	**(12,408)**	20,309
Income tax	*5*	**(98)**	(643)
(Loss) profit for the period		**(12,506)**	19,666

* *For identification purposes only*

	Note	Six months ended 30 June 2009 Unaudited HK$'000	2008 Unaudited HK$'000
(Loss) profit attributable to:			
Equity shareholders of the Company		**(12,500)**	19,666
Minority interests		**(6)**	–
		(12,506)	19,666
Interim dividend	*6*	**–**	–
		HK cents	*HK cents*
(Loss) earnings per share for (loss) profit attributable to equity shareholders of the Company	*7*		
Basic		**(1.55)**	2.47
Diluted		**(1.52)**	2.33

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
	HK$'000	*HK$'000*
(Loss) profit for the period	**(12,506)**	19,666
Other comprehensive income:		
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	**219**	1,733
Total comprehensive (expense) income for the period	**(12,287)**	21,399
Total comprehensive (expense) income attributable to:		
Equity shareholders of the Company	**(12,281)**	21,399
Minority interests	**(6)**	–
	(12,287)	21,399

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**30 June 2009 Unaudited** *HK$'000*	31 December 2008 Audited *HK$'000*
Non-current assets			
Property, plant and equipment		**65,199**	63,740
Intangible assets		**90,695**	82,290
Deferred tax assets		**1,132**	1,132
		157,026	147,162
Current assets			
Inventories		**253,390**	223,242
Trade and other receivables	*8*	**188,564**	193,676
Pledged deposits		**–**	1,554
Cash and cash equivalents		**39,468**	23,123
Current tax recoverable		**155**	155
Derivative financial instrument		**7,979**	–
		489,556	441,750
Current liabilities			
Trade and other payables	*9*	**88,172**	88,457
Bank and other borrowings		**93,076**	156,938
Notes payable	*11(ii)*	**34,277**	108,367
Obligations under finance leases		**8,738**	9,879
Current tax payable		**10,516**	10,485
		234,779	374,126
Net current assets		**254,777**	67,624
Total assets less current liabilities		**411,803**	214,786
Non-current liabilities			
Convertible bonds		**182,210**	–
Bank and other borrowings		**8,880**	21,954
Obligations under finance leases		**3,658**	7,843
Deferred tax liabilities		**6,537**	6,537
		201,285	36,334
NET ASSETS		**210,518**	178,452
CAPITAL AND RESERVES			
Share capital	*10(i)*	**102,304**	79,879
Reserves		**108,214**	98,573
Equity attributable to equity shareholders of the Company		**210,518**	178,452
Minority interests		**–**	–
TOTAL EQUITY		**210,518**	178,452

Notes:

1. Basis of Preparation

The interim condensed consolidated financial information have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and it should be read in conjunction with the Group's annual financial statements as at 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2. Principal Accounting Policies

The condensed consolidated financial information have been prepared on historical cost convention, except for certain assets and liabilities that are measured at their fair value, as appropriate.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008, except as described below.

(a) Convertible bonds

Convertible bonds which entitle the holder to convert into equity instruments, other than into a fixed number of equity instruments at a fixed conversion price, are regarded as combined instruments consisting of a liability and a derivative component.

At initial recognition, both the liability and derivative components are recognised at their respective fair values on the issue date of convertible bonds. The fair value of the liability component is determined using a market interest rate of an equivalent non-convertible bond, whereas the fair value of the derivative component is determined using an applicable option pricing model. Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the liability component are included in the carrying amount of the liability component, while the transaction costs relating to the derivative component are charged to profit or loss directly.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion or maturity. The derivative component is subsequently measured at fair value with gains and losses recognised in the interim condensed consolidated income statement.

(b) Adoption of new or revised standards

In the current period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's financial year beginning on 1 January 2009.

- HKAS 1 (Revised), "Presentation of Financial Statements". The revised standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in a performance statement. The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- HKFRS 8, "Operating Segments". HKFRS 8 replaces HKAS 14, "Segment Reporting". It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. This has resulted in a redesignation of the Group's reportable segments, and has had no impact on the reported results or financial position of the Group. Accordingly, as disclosed in the segment information *(Note 3)* for both the current period and the comparative figures of prior period have been presented under the new reporting segmentation.

- Amendment to HKFRS 7, "Financial Instruments: Disclosures". The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy. It also requires entities to provide additional disclosures about the relative reliability of fair value measurements. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. The Group will make additional relevant disclosures in its financial statements ending 31 December 2009.

- HKAS 23 (Revised), "Borrowing Costs"

- HKAS 32 & HKAS 1 (Amendments), "Presentation and Puttable Financial Instruments and Obligations Arising on Liquidation"

- HKFRS 2 (Amendment), "Share-based Payment – Vesting Conditions and Cancellations"

- HK(IFRIC) 9 (Amendment), "Reassessment of Embedded Derivatives" and HKAS 39 (Amendment), "Financial Instruments: Recognition and Measurement"

- HK(IFRIC) 13, "Customer Loyalty Programmes"
- HK(IFRIC) 15, "Agreements for the Construction of Real Estate"
- HK(IFRIC) 16, "Hedges of a Net Investment in a Foreign Operation"
- Improvements to HKFRSs May 2008
- Improvements to HKFRSs April 2009

The adoption of the new and revised standards, amendments or interpretations had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	First-time adoption of Hong Kong Financial Reporting Standards – Additional exemptions for first-time adoptors[4]
HKFRS 1 (Revised)	First-time adoption of Hong Kong Financial Reporting Standards[1]
HKFRS 2 (Amendment)	Share-based payment – Group cash-settled share based payments transactions[4]
HKFRS 3 (Revised)	Business combinations[1]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) – INT 18	Transfers of assets from customers[3]

1 *Effective for annual periods beginning on or after 1 July 2009.*

2 *Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.*

3 *Effective for transfer of assets from customers received on or after 1 July 2009.*

4 *Effective for annual periods beginning on or after 1 January 2010.*

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combinations for which the acquisition dates are 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 the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. **Segment Information**

	Six months ended 30 June			
	2009		2008	
	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	**116,480**	**36,285**	149,340	59,638
Manufacture and sale of data media products	**18,694**	**1,790**	42,985	2,052
Distribution of data media products	**6,393**	**(2,796)**	23,264	2,205
	141,567	**35,279**	215,589	63,895
Unallocated operating expenses		**(33,987)**		(31,981)
Profit from operations		**1,292**		31,914
Fair value gain on derivative financial instrument		**7,979**		–
Finance costs		**(21,679)**		(11,605)
(Loss) profit before taxation		**(12,408)**		20,309
By geographical segments				
Asia				
– The People's Republic of China (including Hong Kong SAR)	**40,085**		78,368	
– Other regions	**27,888**		46,919	
Europe	**11,930**		24,033	
North and South America	**61,474**		66,269	
Others	**190**		–	
	141,567		215,589	

4. (Loss) Profit before Taxation

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
	HK$'000	*HK$'000*
(Loss) Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets	**4,935**	4,062
Depreciation of property, plant and equipment	**4,156**	8,442

5. Income Tax

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
	HK$'000	*HK$'000*
The charge comprises:		
Profits tax for the period		
Hong Kong	**70**	22
Overseas	**28**	621
	98	643

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the period.

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

6. Interim Dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009 (six months ended 30 June 2008: Nil).

7. (Loss) Earnings Per Share

(i) Basic (loss) earnings per share

The calculation of basic (loss) earnings per share is based on the loss attributable to equity shareholders of the Company of HK$12,500,000 (30 June 2008: profit attributable to equity shareholders of the Company of HK$19,666,000) and the weighted average of 808,003,484 ordinary shares (30 June 2008: 796,636,817 ordinary shares) in issue during the period, calculated as follows:

Weighted average number of ordinary shares

	30 June 2009	30 June 2008
	Number of shares	*Number of shares*
Issued ordinary shares at beginning of period	**798,786,817**	796,636,817
Effect of new shares issued on exercise of warrants	**4,066,667**	–
Effect of new shares issued under share placing	**5,150,000**	–
Weighted average number of ordinary shares at end of period	**808,003,484**	796,636,817

(ii) Diluted (loss) earnings per share

The calculation of diluted (loss) earnings per share for the six months ended 30 June 2009 is based on the loss attributable to equity shareholders of the Company of HK$12,500,000 (30 June 2008: profit attributable to equity shareholders of the Company of HK$19,666,000) and the weighted average of 823,441,664 ordinary shares (30 June 2008: 842,725,178) after adjusting for the effects of all dilutive potential ordinary shares calculated as follows:

Weighted average number of ordinary shares (diluted)

	30 June 2009 ***Number of shares***	30 June 2008 *Number of shares*
Weighted average number of ordinary shares at end of period	**808,003,484**	796,636,817
Effect of deemed issue of ordinary shares in relation to warrants issued	**10,748,557**	37,709,416
Effect of deemed issue of ordinary shares under the Company's share options scheme for nil consideration	**4,689,623**	8,378,945
Weighted average number of ordinary shares (diluted) at end of period	**823,441,664**	842,725,178

8. Trade and other receivables

	30 June 2009 Unaudited *HK$'000*	31 December 2008 Audited *HK$'000*
Trade debtors and bills receivable	**166,844**	179,795
Other deposits, prepayments and other receivables	**21,720**	13,881
	188,564	193,676

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	30 June 2009 Unaudited *HK$'000*	31 December 2008 Audited *HK$'000*
Current	**55,038**	132,868
Less than 3 month past due	**70,465**	26,359
3 to 6 months past due	**26,643**	3,728
Over 6 months past due	**14,698**	16,840
Amounts past due	**111,806**	46,927
	166,844	179,795

Trade debtors and bills receivable are due within 60 to 180 days from the date of billings.

9. Trade and other payables

	30 June 2009 Unaudited *HK$'000*	31 December 2008 Audited *HK$'000*
Trade creditors and bills payable	**53,556**	48,284
Accruals and other payables	**32,928**	38,859
Amounts due to directors	**1,688**	1,314
	88,172	88,457

Amounts due to directors are unsecured, interest free and repayable on demand.

The aged analysis of the trade payables is as follows:

	30 June 2009 Unaudited *HK$'000*	31 December 2008 Audited *HK$'000*
1 to 3 months	**47,449**	45,950
4 to 6 months	**3,453**	1,599
7 to 9 months	**1,062**	–
10 to 12 months	**435**	–
Over 1 year	**1,157**	735
	53,556	48,284

10. Share Capital

(i) Authorised and issued share capital

	Number of shares *'000*	Amount *HK$'000*
Shares of HK$0.10 each		
Authorised:		
At 1 January 2008	1,000,000	100,000
Increase in authorised share capital	1,000,000	100,000
At 1 January 2009 and 30 June 2009	2,000,000	200,000
Issued and fully paid:		
At 1 January 2008	796,637	79,664
Shares issued under share option scheme	2,150	215
At 1 January 2009	798,787	79,879
Share issued on exercise of warrants	65,250	6,525
Share issued by placing	159,000	15,900
At 30 June 2009	1,023,037	102,304

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Shares issued under share option scheme

During the period, no share options were exercised to subscribe for ordinary shares in the Company.

During 2008, options were exercised to subscribe for 2,150,000 ordinary shares in the Company at a consideration of HK$528,000 of which HK$215,000 was credited to share capital and the balance of HK$313,000 was credited to the share premium account. HK$208,000 was transferred from the capital reserve to the share premium account.

(iii) ***Shares issued on exercise of warrants***

During the period, warrants were exercised to subscribe for 65,250,000 ordinary shares in the Company at a consideration of HK$8,482,500 of which HK$6,525,000 was credited to share capital and the balance of HK$1,957,500 was credited to the share premium account. HK$1,329,000 was transferred from the capital reserve to the share premium account.

During 2008, no warrants were exercised to subscribe for ordinary shares in the Company.

(iv) ***Shares issued by placing***

On 19 February 2009 and 24 February 2009, the Company placed existing shares and new shares for a total of 50,000,000 shares at a total consideration of HK$14,610,000 of which HK$5,000,000 was credited to share capital and the balance of HK$9,610,000 was credited to the share premium account.

On 21 May 2009, the Company allotted and issued 109,000,000 new shares at a total consideration of HK$21,255,000 of which HK$10,900,000 was credited to share capital and the balance of HK$10,355,000 was credited to the share premium account.

During 2008, no shares were issued for the Company.

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

Exercise period	**Exercise price**	**30 June 2009 Number**	30 June 2008 Number
25 January 2005 to 24 January 2015	HK$0.158	**14,089,138**	14,639,138
3 May 2008 to 2 May 2009	HK$0.293	**–**	23,650,000

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

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

Exercise period	Exercise price	**30 June 2009 Number**	30 June 2008 Number
24 March 2006 to 23 March 2009 *(Note 1)*	HK$0.130	**–**	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 11(i) to the interim condensed consolidated financial statements.

(2) Further details of these warrants are set out in note 11(ii) to the interim condensed consolidated financial statements.

11. 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. All warrants were exercised before expiry date during the period.

(ii) ***Notes Payable and Unlisted Warrants issued in 2007***

Pursuant to a subscription agreement (the "2007 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 fully repaid during the period.

In addition, on 27 June 2007, pursuant to the 2007 Subscription Agreement, 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 period ended 30 June 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2009, the Group recorded a turnover of HK$141.6 million, representing a decline of 34.3% as compared to HK$215.6 million in the six months ended 30 June 2008. Gross profit was HK$45.6 million whereas gross profit margin was maintained at 32.2% (2008: HK$74.4 million and 34.5%). Loss attributable to equity shareholders was approximately HK$12.5 million, as compared to the profit attributable to equity shareholders of HK$19.7 million in the corresponding period in 2008.

Review of Operations

Production of remanufactured/recycled toner cartridges, the core business segment of the Group held up well during the review period. The Group was able to consolidate its leadership in the recycling/environmental protection industry during the review period. Business of computer media production and distribution of media products contracted substantially during the period under review due to the difficult economic environment.

Remanufactured/Recycled Toner Cartridge Production

For the six months ended 30 June 2009, the segment recorded a turnover of HK$116.5 million (2008: HK$149.3 million), accounting for 82.3% of the Group's total turnover. Although the segment recorded sales growth in the first quarter of 2009, the Group tightened credit control on customers that caused orders to contract and affected sales of the Group in later stage of the review period, but such move was necessary for maintaining the Group's financial health and liquidity at sound levels for coping with the uncertain economic environment. Albeit the contracted sales, the Group was able to improve operational efficiency during the review period, hence maintained the gross profit margin of the business.

Turnover from the United States ("US") market was HK$58.0 million, making up 41.0% of the Group's turnover. The Group was able to maintain its distribution network in the market and secure orders from new clients impressed by its products of superior quality and at competitive prices relative to those of local suppliers. It continues to expand the number of clientele.

Sales to the Asia Pacific markets amounted to HK$52.2 million, accounting for 36.9% of the Group's turnover. The Group is the only company in South China licensed to import used toner cartridges for remanufacturing and the licence has been extended for 30 years recently by the local authority.

Computer Media Production

The Group remains as the largest OEM manufacturer of computer media products in the world, supplying products to OEM customers who own world-renowned brand names. Sales from the segment amounted to HK$18.7 million, accounting for 13.2% of the total turnover of the Group. During the period, the Group downsized the operation of the segment as a means to control cost and mitigate the impacts of the financial crisis on the business.

Distribution of Media Products

Turnover from distribution of media products amounted to HK$6.4 million, accounting for 4.5% of the Group's total revenue. The Group has been manufacturing and distributing data media products for a major computer product vendor.

Outlook and Prospects

With the increasing awareness of the importance of environmental protection, the Group sees bright prospects for the recycled products industry. As benefits from the weakened world economy resulting from the financial crisis which drives corporations to increase use of recycled products to trim cost, Europe market has recorded a 7% growth in demand for recycled toner cartridges in the first half of the year. The Group believes the worst of the economic downturn is over and global demand for recycled products will keep growing with more enterprises expected to outsource such production. The trend will drive the sustainable development of the recycling business of the Group.

The Group, having a strong foundation and proven industry know-how, will continue to focus on developing the remanufactured/recycled toner cartridges business and strive to defend its leadership in the industry in Asia. It intends to extend its distribution networks in the US, Europe and Asia Pacific, concentrating on serving first-tier and renowned corporate customers.

Drawing on the technical know-how obtained last year, the Group will utilise this resource to obtain economic benefits and returns. More models of recycled toner cartridges, in particular colour products of higher profit margin, will be developed to widen the product mix of the Group.

Financially, the Group will focus on cost control, improvement of cash flow and debt reduction. It significantly lowered bank borrowings during the review period hence better positioned its business for long term development.

To strengthen its financial position and fulfill cash flow requirements of the developing recycled toner cartridge business, in April 2009, the Company completed the issue of convertible bonds of its wholly-owned subsidiary at an aggregate principal amount of HK$177 million, which were subscribed by The China Fund, Inc, managed by the affiliates of Martin Currie (Holdings) Limited ("Martin Currie"). After immediate repayment of a note payable of HK$78 million and interest to Martin Currie, the net proceeds of approximately HK$95 million will be used as general working capital of the Group.

Moreover, to ensure it has sufficient funds for supporting current operations and in pursuit of potential investment opportunities including mineral exploration and mining businesses, the Group issued convertible notes in August 2009 at an aggregate principal amount of HK$50 million. The net proceeds of approximately HK$49.8 million will be used to repay borrowings and as general working capital for supporting business development.

The Group will manage computer media production and distribution of media products with prudence. It will regularly review the businesses and adjust sales and operation strategies with reference to market needs.

FINANCIAL REVIEW

Capital and debt structure

As at 30 June 2009, the Group's total net assets was approximately HK$211 million (31 December 2008: HK$178 million), representing approximately HK$33 million increase compared with that of 31 December 2008, mainly due to the enlargement of equity base by exercise of warrants into ordinary shares and private placements.

As at 30 June 2009, the Group's total bank and other borrowings plus finance lease obligations decreased by HK$83 million to HK$114 million (31 December 2008: HK$197 million), of which HK$102 million was payable within one year and HK$12 million was payable after one year. The majority of the Group's borrowings were import and export loans and term loans that amounted to HK$34 million and HK$53 million respectively (31 December 2008: HK$98 million and HK$62 million respectively). 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$39 million (31 December 2008: HK$23 million), representing an increase of approximately HK$16 million.

The Group's net debt to equity ratio was kept at 1.6 (31 December 2008: 1.7), which is determined by total bank and other borrowings, notes payable, convertible bonds and obligation under finance leases over total net assets.

Working Capital and Liquidity

As at 30 June 2009, the Group's current ratio and quick ratio were 2.1 and 1.0 respectively (31 December 2008: 1.2 and 0.6). Inventory turnover on sales increased to 327 days (31 December 2008: 179 days) primarily due to the expansion of remanufactured toner business which raised the required inventory level for production especially for the stockings in its distribution channels to provide quick delivery service to some large OEM customers in US. Receivable turnover increased to 215 days in the period under review (31 December 2008: 144 days) which was mainly due to prolonged payment from customers.

Issuance of Convertible Bonds by a Subsidiary of the Company

On 6 March 2009, according to a subscription agreement (the "2009 Subscription Agreement") entered into between a wholly-owned subsidiary of the Company (the "Subsidiary") and a subscriber (the "CB Subscriber"), the Subsidiary issued, and the CB Subscriber subscribed for, the convertible bonds (the "Convertible Bonds") in the aggregate principal amount of HK$177 million on 6 April 2009. Pursuant to the terms and conditions of the Convertible Bonds, the Convertible Bonds are initially convertible into new shares of the Subsidiary representing 30% of the enlarged share capital of the Subsidiary. The conversion period is between the date of issue of the Convertible Bonds and the three anniversary of the issue date of the Convertible Bonds, being the maturity date of the Convertible Bonds. The Convertible Bonds carry interest at a fixed rate of 12% per annum and is payable semi-annually on 30 September and 31 March each year.

In accordance with the terms and conditions of the Convertible Bonds, the Secured Bonds (defined as below), together with the accrued interests, were fully repaid to the Subscriber (defined as below) immediately upon issue of the Convertible Bonds, in which the Subscriber is the investment manager of the CB Subscriber.

Issuance of Guaranteed Bonds, Secured Bonds and Unlisted Warrants

On 10 October 2008, the Company issued, and Martin Currie China Hedge Fund L.P. (the "Subscriber"), the Company's substantial shareholder, subscribed for guaranteed bonds (the "Guaranteed Bonds") in the aggregate principal amount of HK$31.2 million. The Guaranteed Bonds were guaranteed by Sun Union Enterprises Limited, the Company's substantial shareholder, carried interest at 15% per annum and repayable on 27 June 2010.

On 27 June 2007, the Company issued, and the Subscriber subscribed for, secured bonds (the "Secured Bonds") in the aggregate principal amount of HK$78 million. The Secured Bonds were secured, carried interest at 10% per annum and repayable three years after the date of issue of the Secured Bonds.

Placing of Existing shares and Subscription of new shares

The completion of the placing of existing shares and subscription of new shares took place on 19 February 2009 and 24 February 2009 respectively. A total of 50,000,000 new shares were issued and the Company received the net proceeds of approximately HK$13.8 million.

Placing of New Shares

On 21 May 2009, the Company entered into an agreement with a subscriber pursuant to which the subscriber agreed to subscribe for and the Company agreed to allot and issue 109,000,000 new shares at the subscription price of HK$0.195 per share. The net proceeds of approximately HK$21.0 million were received by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2009, the number of employees of the Group was approximately 1,040. 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, 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 2009, 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 2009.

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 2009.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lo Kok Kee. 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 2009.

INTERNAL CONTROL

Reference is made to the results announcement and the annual report of the Company for the financial year ended 31 December 2008 published on 22 May 2009 and the voluntary announcement on internal control review findings dated 26 July 2009 ("Voluntary Announcement"), under which the Company disclosed that it engaged an independent professional advisor to conduct a thorough review (the "Review") of the internal control systems of the Company and its subsidiaries (collectively, the "Group") with reference to the present scale and operation and business nature of the Group. The independent professional advisor engaged by the Company was SHINEWING Risk Services Limited ("SHINEWING Risk Services"). The Review covered the period from 1 January 2008 to 31 March 2009 ("Period"). An internal control review report (the "Report") was issued to the Company on 15 July 2009. As stated in the Report, SHINEWING Risk Services was of the view that the overall internal control systems of the Group were adequate and effective, and no material deficiencies had been identified during their review except for some findings as summarized in the Voluntary Announcement. The Board and the audit committee of the Company have reviewed and adopted the Report. The management of the Company agreed with all findings and recommendations made by SHINEWING Risk Services and have also set forth an estimated timetable for implementation of the recommendations, which in most cases being less than three months, and will closely monitor the progress thereof.

The Company engaged SHINEWING Risk Services to follow up the status of the implementations of the recommendations and SHINEWING Risk Services carried out a follow-up review on a sampling basis with the conclusion that the results of the implementations of the recommendations by the Group were satisfactory and no material irregularities and deficiencies have been identified in the internal control system of the Group.

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

During the six months ended 30 June 2009, 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 2009 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, 18 September 2009

As at the date of this announcement, Ms. Ho Yin King, Helena, Mr. Ho Fai Keung, Jacky, Mr. Cheung Sze Ming and Mr. Yip Wai Lun, Alvin are the executive Directors and Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lo Kok Kee are the independent non-executive Directors.