Jin Bao Bao Holdings Limited
金寶寶控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 01239)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 28.2% to approximately RMB212,834,000 (2010: approximately RMB166,079,000)
- Gross profit increased by approximately 14.6% to approximately RMB61,393,000 (2010: approximately RMB53,593,000)
- Profit attributable to owners of the Company decreased by approximately 16.3% to approximately RMB29,906,000 (2010: approximately RMB35,725,000)
- Basic earnings per share decreased by approximately 19.3% to approximately RMB19.2 cents (2010: approximately RMB23.8 cents)
- Proposed final dividend of HK6.00 cents (approximately RMB4.88 cents*) (2010: N/A)

* unless otherwise specified, amount denominated in RMB has been translated, for the purpose of illustration only, into Hong Kong dollars in this announcement at rate of HK$1.0000 : RMB0.8130

The board (the "Board") of directors (the "Directors") of Jin Bao Bao Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011 together with the comparative figures for the year ended 31 December 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000
Revenue	4	212,834	166,079
Cost of sales		(151,441)	(112,486)
Gross profit		61,393	53,593
Other income		598	338
Other gains and losses - net	5	(1,309)	(447)
Selling and distribution expenses		(9,109)	(6,260)
Administrative expenses		(8,554)	(6,120)
Other operating expenses		(562)	(715)
Other expenses		(5,926)	-
Profit from operations		36,531	40,389
Finance costs		(1,074)	(701)
Profit before tax		35,457	39,688
Income tax expense	6	(5,551)	(3,963)
Profit for the year	7	29,906	35,725
Other comprehensive income for the year			
Exchange differences on translating foreign operations		259	-
Total comprehensive income for the year		30,165	35,725
Profit attributable to:			
Owners of the Company		29,906	35,725
Total comprehensive income attributable to:			
Owners of the Company		30,165	35,725
		RMB cents	RMB cents
Earnings per share – basic and diluted	9	19.2	23.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000
Non-current assets			
Property, plant and equipment		41,699	41,052
Prepaid lease payments		2,883	2,954
Deferred tax assets		79	59
		44,661	44,065
Current assets			
Inventories		9,896	11,178
Prepaid lease payments		71	71
Held-for-trading investments		-	9,811
Trade and other receivables	10	117,406	84,777
Amount due from a related company		-	388
Current tax assets		3,208	1,405
Pledged bank deposits		231	333
Cash and bank balances		80,141	42,440
		210,953	150,403
Current liabilities			
Trade and other payables	11	47,538	32,178
Bank borrowings		3,292	4,000
		50,830	36,178
Net current assets		160,123	114,225
Total assets less current liabilities		204,784	158,290
Non-current liabilities			
Deferred tax liabilities		1,062	678
Net assets		203,722	157,612
Capital and reserves			
Share capital		1,632	92,603
Reserves		202,090	65,009
Total equity		203,722	157,612

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Jin Bao Bao Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 4 January 2011 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 18 November 2011. Its parent and ultimate holding company is Rich Gold International Limited ("Rich Gold"), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chao Pang Ieng ("Mr. Chao").

The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business in Hong Kong is Unit No. 2118, 21st Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the design, manufacture and sale of packaging products and structural components in the People's Republic of China (the "PRC").

Prior to the corporate reorganization undertaken in preparation for the listing of the Company's shares on the Stock Exchange (the "Corporate Reorganization"), the group entities were under the control of Mr. Chao. Through the Corporate Reorganization, the Company became the holding company of the companies now comprising the Group on 9 March 2011. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the years presented. The Group comprising the Company and its subsidiaries resulting from the Corporate Reorganization is regarded as a continuing entity. The Group was under the control of Mr. Chao both before and after the Corporate Reorganization.

The consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the years presented in accordance with Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows which include the results, changes in equity and cash flows of the companies comprising the Group have been prepared as if the current group structure had been in existence throughout the year presented, or since their respective dates of incorporation/establishment where it is a shorter period. The consolidated statement of financial position as at 31 December 2010 has been prepared to present the assets and liabilities of the companies comprising the Group as if the current group structure had been in existence at that date.

Prior to the Corporate Reorganization, 四川景虹包裝製品有限公司 (Sichuan Jinghong Packing Materials CO., LTD.*) ("Sichuan Jinghong"), 滁州創策包裝材料有限公司 (Chuzhou Chuangce Packaging Materials Company Limited*) ("Chuzhou Chuangce") and 重慶光景包裝製品有限公司 (Chongqing Guangjing Packing Materials CO., LTD.*) ("Chongqing Guangjing") were wholly owned by Conca Investments Limited ("Conca Investments"), an investment holding company controlled by Mr. Chao. As part of the Corporate Reorganization, Metro Master Limited ("Metro Master"), an indirect wholly-owned subsidiary of the Company, entered into respective equity transfer agreements with Conca Investments, pursuant to which Conca Investments transferred the entire equity interests in Chuzhou Chuangce, Chongqing Guangjing and Sichuan Jinghong at an aggregated consideration of RMB119,790,000. The aforesaid equity transfer transactions were completed in March 2011 and the Company became the holding company of the Group.

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the respective entity operates (the "functional currency"). The functional currencies of the Group's operating subsidiaries are Renminbi ("RMB"). The consolidated financial statements are presented in RMB, which is different from the functional currency of the Company. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

* English translated name is for identification purpose only.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

For the purpose of preparing and presenting the financial statements for the year, the Group has consistently adopted Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS"), amendments and interpretations issued by the HKICPA, which are effective for financial periods beginning on or after 1 January 2011.

The Group has not early applied the following new and revised standards, amendments or interpretations, that have been issued by the HKICPA but are not yet effective, in the consolidated financial statements:

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 9	Financial Instruments[5]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[5]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HK AS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2012.
[3] Effective for annual periods beginning on or after 1 July 2012.
[4] Effective for annual periods beginning on or after 1 January 2013.
[5] Effective for annual periods beginning on or after 1 January 2015.
[6] Effective for annual periods beginning on or after 1 January 2014.

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognized financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The Directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights' to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 10 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted provided that HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011) and HKAS 28 (2011) are applied early at the same time.

The Directors anticipate that HKFRS 10 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of HKFRS 10 may have significant impact on amounts reported in the consolidated financial statements. However, the directors have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements, The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosures requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

The Group is in the process of making an assessment of what the impact of the other new or revised standards, amendments and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRS issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

4. REVENUE AND SEGMENT INFORMATION

The Directors of the Company review the Group's internal financial reporting and other information and also obtain other relevant external information in order to assess performance and allocate resources. Operating segment is identified with reference to these.

The Directors of the Company consider that the business of the Group is organized in one operating segment which is the design, manufacture and sale of packaging products and structural components in the PRC. Additional disclosure in relation to segment information is not presented as the Directors of the Company assess the performance of the sole operating segment identified based on the consistent information as disclosed in the consolidated financial statements.

The total net segment income is equivalent to total comprehensive income for the year as shown in the consolidated statement of comprehensive income and the total segment non-current assets and total segment liabilities are equivalent to total assets and total liabilities as shown in the consolidated statement of financial position.

The Company is domiciled in the Cayman Islands with the Group's major operations in the PRC. All external revenues of the Group during the year are attributable to customers located in the PRC. Substantially all the assets of the Group are located in the PRC.

Revenue	2011 RMB'000	2010 RMB'000
Sales of packaging products and structural components	212,834	166,079

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group during the year is as follows:

	2011 RMB'000	2010 RMB'000
Customer A	87,124	63,401
Customer B	52,808	32,995
Customer C	33,826	37,526
	173,758	133,922

5. OTHER GAINS AND LOSSES - NET

	2011 RMB'000	2010 RMB'000
Net losses/(gains) on disposal of property, plant and equipment	67	(300)
Net losses arising on changes in fair value of held-for-trading investments	1,241	746
Net foreign exchange losses	1	1
	1,309	447

6. INCOME TAX EXPENSE

	2011 RMB'000	2010 RMB'000
Current tax:		
- PRC Enterprise Income Tax ("EIT")	8,732	6,390
Over provision in prior years:		
- PRC EIT	(3,545)	(2,786)
Deferred tax	364	359
Total income tax recognized in profit and loss	5,551	3,963

(i) **Hong Kong**

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profit arising in or derived from Hong Kong for the year.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax for the year. (2010: Nil)

(ii) **PRC**

Sichuan Jinghong

Pursuant to the relevant laws and regulations in the PRC, Sichuan Jinghong is exempted from EIT for two years starting from its first profit-making year, followed by a 50% reduction in tax rate for the next three years. The tax exemption had expired in 2007 and the tax relief of 50% reduction in tax rate was expired in 2010.

In addition, pursuant to relevant PRC laws and regulations and a written approval obtained from local tax authorities, effective on 1 January 2008, Sichuan Jinghong is entitled to EIT exemption and therefore exempt from tax payment for the fiscal year ended 31 December 2010.

The tax concessions applicable to Sichuan Jinghong had expired in 2010 and it is subject to the statutory EIT rate at 25% from 2011 onwards.

Chongqing Guangjing

Pursuant to relevant PRC tax laws and regulations and a written approval obtained from local tax authorities, Chongqing Guangjing is subject to EIT rate of 15% for the fiscal years ended 31 December 2011 and 2010.

Chuzhou Chuangce

Chuzhou Chuangce is subject to EIT rate at 25% for the fiscal years ended 31 December 2011 and 2010.

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2011 RMB'000	2010 RMB'000
Depreciation of property, plant and equipment	7,198	6,451
Amortization of prepaid lease payments	71	75
Auditors' remuneration	411	9
Operating lease rentals in respect of premises	2,335	1,470
Cost of inventories recognized as an expense (including write-down recognized on inventories)	105,181	77,670
Write-down of inventories to net realizable value (included in cost of sales)	312	322
Other expenses *(Note)*	5,926	-

Note: Other expenses mainly included listing expenses.

	2011 RMB'000	2010 RMB'000
Directors' emoluments	652	71
Other employee salaries and benefits	17,699	13,860
Contributions to retirement benefits schemes, excluding those of Directors	2,225	1,231
Total employee benefits expense	20,576	15,162

8. DIVIDENDS

	2011 RMB'000	2010 RMB'000
Prior to the Corporate Reorganization		
Dividends paid by the following companies:		
Chuzhou Chuangce	5,124	3,714
Chongqing Guangjing	3,573	-
Sichuan Jinghong	25,649	20,220
	34,346	23,934

The amounts represented the dividends paid by respective companies to their then equity holders prior to the Corporation Reorganization. Accordingly, the rate of dividend and the number of shares ranking for the above dividends have not been presented as such information is not meaningful.

After the Corporate Reorganization

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2011 of HK6.00 cents (approximately RMB4.88 cents) per share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting of the Company.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the year is based on the following data:

	2011 RMB'000	2010 RMB'000
Earnings for the purpose of basic and diluted earnings per share	29,906	35,725
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	156,027,397	150,000,000

For the year ended 31 December 2011, the calculation of the basic earnings per share attributable to owners of the Company is based on (i) the profit attributable to owners of the Company; and (ii) the weighted average number of ordinary shares as adjusted retrospectively for 2 shares in issue and 149,999,998 shares issued under the capitalization issue, and included the effect of 50,000,000 shares issued under the placing and the public offering.

For the year ended 31 December 2010, the calculation of the basic earnings per share attributable to owners of the Company is based on (i) the profit attributable to owners of the Company; and (ii) the weighted average number of 150,000,000 shares (comprising 2 shares in issue and 149,999,998 shares issued under the capitalization issue) as if these 150,000,000 shares were outstanding before the Corporate Reorganization.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during both years.

10. TRADE AND OTHER RECEIVABLES

	2011 RMB'000	2010 RMB'000
Trade receivables	78,369	56,303
Note receivables	37,883	27,345
Prepayments, deposits and other receivables	1,154	1,129
	117,406	84,777

The above trade and other receivables are denominated in the functional currencies of the relevant group entities.

The following is an aged analysis of the Group's trade receivables (net of allowance for doubtful debts) at the end of the reporting period, presented based on the invoice date:

	2011 RMB'000	2010 RMB'000
Within 90 days	70,001	51,303
91 – 180 days	8,048	4,563
181 – 365 days	86	56
Over 365 days	234	381
Total	78,369	56,303

The Group normally allows a credit period ranging from 30 days to 180 days, to its trade customers with trading history, or otherwise sales on cash terms are required.

Before accepting any new customers, the Group assesses the potential customers' credit quality and defines credit limits by customers.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognized an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Age of receivables that are past due but not impaired

	2011 RMB'000	2010 RMB'000
Within 90 days	-	4,655
91 – 180 days	86	-
181 – 365 days	-	56
Over 365 days	234	381
Total	320	5,092

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

There was no provision for impairment losses in respect of trade receivables from third party customers at 31 December 2011 (2010: Nil).

At 31 December 2011, note receivables with carrying amounts of approximately RMB1,292,000 (2010: Nil) were pledged as collaterals to secure certain short-time bank loans of the Group.

11. TRADE AND OTHER PAYABLES

	2011 RMB'000	2010 RMB'000
Trade payables	29,758	26,159
Note payables	231	333
Receipts in advance	11,637	3,380
Accruals	2,130	974
Other taxes payable	2,518	70
Others	1,264	1,262
	47,538	32,178

The above trade and other payables are denominated in the functional currencies of the relevant group entities.

The following is an aged analysis of the Group's trade payables at the end of the reporting period, presented based on the invoice date:

	2011 RMB'000	2010 RMB'000
Within 90 days	28,623	23,864
91 – 180 days	818	2,030
181 – 365 days	246	94
Over 365 days	71	171
Total	29,758	26,159

The average credit period on purchases of certain goods is ranging from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

At 31 December 2011, note payables were secured by a charge over certain of the Group's assets.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Since the financial tsunami in 2008, the global economic recovery has remained sluggish. U.S economy has remained weak while the European sovereign debt crisis has been deepening. In order to maintain the steady development of its domestic economy, under the aftermath of uncertainties in the global economic condition, the PRC government continuously introduced various measures to increase domestic demands. On the other hand, given the comparatively high inflation rate in the year of 2011, the PRC government strived to improve people's standard of living and implemented various relieving or beneficial measures such as rural urbanisation, water conservancy reform and affordable housing construction. Various policies aimed at expanding domestic demands and maintaining people's standard of living have brought substantial business opportunities for the development of the consumer electrical appliances industry and in turn demand for our products.

BUSINESS REVIEW

During the period between 2007 and 2009, the PRC Government promulgated various policies in respect of the consumer electrical appliance industry namely, the "Rural Area Subsidized Electrical Appliances Purchase Policy", the "Home Appliances Replacement Policy" and the "Energy Efficient Product Subsidy Policy", which encouraged, to a certain extent, the demand for consumer electrical appliances and packaging products in the PRC. Benefiting from the above favourable policies and growth of economic environment in the PRC, the Group's revenue amounted to approximately RMB212,834,000 for the year 2011, representing an increase of approximately 28.2% as compared to the revenue of approximately RMB166,079,000 in 2010.

Revenue

An analysis of revenue by products is as follows:

	Year ended 31 December			
	2011		2010	
	RMB'000	%	RMB'000	%
Packaging products				
Televisions	80,634	37.9	61,988	37.3
Air conditioners	46,866	22.0	31,493	19.0
Washing machines	24,191	11.4	23,421	14.1
Refrigerators	28,301	13.3	28,037	16.9
Others	4,385	2.0	1,966	1.2
Structural components				
For air conditioners	28,457	13.4	19,174	11.5
Total	212,834	100	166,079	100

The revenue by product type remained relatively stable. Revenue derived from our products for televisions and air conditioners (including packaging products and structural components) made the largest and second largest contributions to our total revenue, amounting approximately RMB155,957,000 or 73.3% of total revenue. (2010: approximately RMB112,655,000 or 67.8% of total revenue.)

Most of our customers are leading consumer electrical appliance manufacturers in the PRC. All of our revenue was derived from the sale of our packaging products and structural components to our customers in the PRC.

Supply of raw materials

We purchase raw materials and components necessary for the manufacturing of our packaging products and structural components from independent third parties. The raw materials mainly include expanded polystyrene ("EPS") and expanded polyolefin ("EPO"). We retain a list of approved suppliers of raw materials and components and only make our purchases from the list. We have established long-term commercial relationships with our major suppliers for stable supply and timely delivery of high quality raw materials and components. We had not experienced any major difficulties in procuring raw materials and components necessary for the manufacture of our packaging products for the year ended 31 December 2011. We continue to diversify our suppliers of raw materials and components to avoid overly reliance on a single supplier for any type of raw materials and components.

Production capacity

Our three factories are capable of a maximum annual manufacturing capacity, in aggregate, of 15,100 tonnes of packaging products and structural components. The current production capacity enables us to promptly respond to market demand and expand our market position.

FUTURE OUTLOOK

Looking forward, the Directors consider that the economy of the United States of America and Europe will not have much improvement or may even further deteriorate. It is believed that the macroeconomic environment will continue to be challenging. The management of the Company will remain cautious about the Group's business outlook.

As surging production cost in the PRC is greatly affecting our overall performance, the Group plans to allocate more resources to technology innovation and equipment expansion and renovation in the coming year. Through streamlining our production processes, improving our production techniques, replacing old machines with energy-efficient ones and renovating mould designs, we will be able to enhance our production effectiveness and qualified rate, while reducing water and energy consumption and production costs. At the same time, the Group will continue to seek opportunities for quality improvements, raw-material application developments and new customers to enhance our product portfolio. These progressive strategies are beneficial to the cost control and the expansion of the customer base of our Group, and hence stabilize the cost and ensure a sustainable growth of revenue.

We believe that these forward-looking measures will consolidate the leading position of the Group and pave the foundation of our success in the future.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the year ended 31 December 2011 amounted to approximately RMB212,834,000, representing an increase of approximately RMB46,755,000, or 28.2% as compared to approximately RMB166,079,000 in the year ended 31 December 2010. The increase was mainly due to an increase in sales of our air conditioners' structural components and television packaging products. The year-on-year growth for these two products was 48.4% and 30.1% respectively. This is due to overall increase in customer demand for consumer electrical appliances and in turn for our products.

Cost of sales

For the year ended 31 December 2011, cost of sales for the Group amounted to approximately RMB151,441,000, increased by approximately RMB38,955,000 or 34.6% when compared to approximately RMB112,486,000 for the year ended 31 December 2010. The increase in cost of sales is consistent with the increase in revenue. Gross profit ratio decreased from 32.3% for the year ended 31 December 2010 to 28.8% for the year ended 31 December 2011. The decrease in the gross profit margins was due to the increase in number of direct labour and increase in salary for them and the increase manufacturing overhead in particular, cost of utilities on the back of the increase in consumption of utility and rates of utility contributed.

The following table sets out a breakdown of our cost of sales for the periods stated:

	Year ended 31 December			
	2011		2010	
	RMB'000	%	RMB'000	%
Raw materials	105,181	69.4	77,538	68.9
Direct labour costs	11,304	7.5	8,260	7.3
Manufacturing overhead	34,956	23.1	26,688	23.8
Staff costs	1,809	1.2	954	0.8
Depreciation	5,050	3.3	4,000	3.6
Utilities	21,831	14.4	15,315	13.6
Processing charges	4,738	3.1	4,895	4.4
Rental expenses	1,452	1.0	1,442	1.3
Others	76	0.1	82	0.1
Total	151,441	100	112,486	100

Other income

Other income mainly included interest income on bank deposits and others. For the year ended 31 December 2011, other income amounted to approximately RMB598,000, increased by approximately RMB260,000 or 76.9% when compared to approximately RMB338,000 for the year ended 31 December 2010. The increase was mainly due to the increase in sales of unused ancillary parts.

Other gains and losses - net

Other gains and losses - net mainly comprised of net losses/gains on disposal of property, plant and equipment, nets losses arising from changes in fair value of held-for-trading investments and net foreign exchange losses. For the year ended 31 December 2011, other gains and losses - net amounted to approximately RMB1,309,000, increased by approximately RMB862,000 or 192.8% when compared to approximately RMB447,000 for the year ended 31 December 2010. The increase was mainly caused by an increase in net losses arising from changes in fair value of held-for-trading investments.

Selling and distribution expenses

For the year ended 31 December 2011, selling and distribution costs amounted to approximately RMB9,109,000, increased by approximately RMB2,849,000 or 45.5% when compared to approximately RMB6,260,000 for the year ended 31 December 2010. The increase was mainly due to an increase in salary expenses for sales and marketing staff and transportation costs in relation to delivery of products to our customers.

Administrative expenses

For the year ended 31 December 2011, administrative expenses amounted to approximately RMB8,554,000, increased by approximately RMB2,434,000 or 39.8% when compared to approximately RMB6,120,000 for the year ended 31 December 2010. The increase was mainly due to an increase in office maintenance expenses, traveling, transportation expenses and other expenses on the back of the increase in the business activities during the year.

Other operating expenses

For the year ended 31 December 2011, other operating expenses amounted to approximately RMB562,000, decreased by approximately RMB153,000 or 21.4% when compared to approximately RMB715,000 for the year ended 31 December 2010. The decrease was mainly due to less compensation paid to customers in respect of defective products.

Other expenses

For the year ended 31 December 2011, other expenses amounted to approximately RMB5,926,000. Other expenses were the listing expenses in relation to the listing of the Company in November 2011 which were recognized in profit and loss during the year.

Profit from operations

For the year ended 31 December 2011, profit from operations of the Group amounted to approximately RMB36,531,000, decreased by approximately RMB3,858,000 or 9.6% when compared to approximately RMB40,389,000 for the year ended 31 December 2010. Decrease in profit from operations was mainly due to a one-off effect of listing expense of approximately RMB5,926,000. If this one-off expense were excluded, the Group's normal profit from operation would be approximately RMB42,457,000, representing an increase of 5.1% when compared with last year. This was mainly due to an increase in revenue and gross profit for the year ended 31 December 2011.

Finance costs

For the year ended 31 December 2011, finance costs amounted to approximately RMB1,074,000, increased by approximately RMB373,000 or 53.2% when compared to approximately RMB701,000 for the year ended 31 December 2010. The increase was mainly due to the increase in finance costs arising from early redemption of note receivables.

Profit before tax

For the year ended 31 December 2011, profit before tax for the Group amounted to approximately RMB35,457,000, decreased by approximately RMB4,231,000 or 10.7% when compared to approximately RMB39,688,000 for the year ended 31 December 2010. Decrease in profit before taxation was mainly due to arise of one-off effect of listing expense of approximately RMB5,926,000 in current year. If this one-off expense were excluded, the Group's normal profit before tax would be approximately RMB41,383,000, representing an increase of 4.3% compared with last year. This was mainly due to an increase in revenue and gross profit for the year ended 31 December 2011.

Income tax expense

For the year ended 31 December 2011, income tax expense for the Group amounted to approximately RMB5,551,000, increased by approximately RMB1,588,000 or 40.1% when compared to approximately RMB3,963,000 for the year ended 31 December 2010. This increase was mainly due to (i) an increase in profit before tax of the PRC subsidiaries of the Company and (ii) an increase in deferred tax. For the year ended 31 December 2011, deferred tax recognized in consolidated statement of comprehensive income was approximately RMB364,000, increased by RMB5,000 when compared to approximately RMB359,000 for the year ended 31 December 2010.

Profit for the year

For the year ended 31 December 2011, profit attributable to owners of the Company amounted to approximately RMB29,906,000, decreased by approximately RMB5,819,000 or 16.3% when compared to approximately RMB35,725,000 for the year ended 31 December 2010.

Trade and other receivables

Trade receivables of the Group include credit sales that the Group's customers should pay for the Group's products. Other receivables of the Group include note receivables and prepayments, deposits and other receivables. Trade and other receivables of the Group as at 31 December 2011 amounted to RMB117,406,000, increased by approximately RMB32,629,000 or 38.5% when compared to trade and other receivables as at 31 December 2010 which amounted to RMB84,777,000. Increase in trade and other receivables was mainly due to an increase in credit sales with certain customers that have a good co-operation relationship with the Group. As at 31 December 2011, trade receivables of the Group amounted to approximately RMB78,369,000, representing a significant increase of approximately RMB22,066,000 when compared to trade receivables of the Group as at 31 December 2010 amounted to approximately RMB56,303,000.

Inventories

As at 31 December 2011, inventories owned by the Group amounted to approximately RMB9,896,000, representing a deduction of approximately RMB1,282,000 or 11.5% when compared to inventories amounted to approximately RMB11,178,000 as at 31 December 2010. The main reason of deduction in inventories was that as the Group improved operating activities cash flow management, it systematically reduced inventories turnover cycle from 36.3 days in 2010 to 23.9 days in 2011.

Properties, plant and equipment

Properties, plants and equipment owned by the Group include buildings, leasehold improvements, plant and machinery, office equipment, motor vehicles, moulds and construction in progress. As at 31 December 2011, the book value of properties, plants and equipment owned by the Group amounted to approximately RMB41,699,000, showing an increase of approximately RMB647,000 or 1.6% when compared to that of approximately RMB41,052,000 last year. Increase in properties, plants and equipment was mainly due to addition of plant and machinery and moulds.

Trade and other payables

Trade and other payables of the Group mainly include trade and note payables, receipts in advance, accruals, other taxes payable and others. As at 31 December 2011, trade and other payables of the Group amounted to approximately RMB47,538,000, showing an increase of approximately RMB15,360,000 or 47.7% when compared to that of approximately RMB32,178,000 as at 31 December 2010. Increase in trade and other payables was mainly due to an increase in receipts in advance from customers which increased from approximately RMB3,380,000 as at 31 December 2010 to approximately RMB11,637,000 as at 31 December 2011.

Capital expenditure

Capital expenditure of the Group mainly included the purchase of properties, plants and equipment. During the year under review, capital expenditure of the Group amounted to approximately RMB8,033,000 (2010: approximately RMB4,326,000).

Contingent liabilities

As at 31 December 2011, the Group had no material contingent liabilities.

Pledge of Assets

As at 31 December 2011, the Group has pledged assets of bank notes, buildings, prepaid lease payments and bank deposits to the bank in the amount of approximately RMB5,693,000 (2010: approximately RMB4,877,000).

Liquidity and Financial Resources

As of 31 December 2011, bank balances and cash of the Group amounted to approximately RMB80,141,000 (2010: approximately RMB42,440,000).

As of 31 December 2011, the Group had bank borrowings of approximately RMB3,292,000 (2010: approximately RMB4,000,000), which were secured by the Group's bank notes, buildings and prepaid lease payments and bank deposits.

USE OF PROCEEDS FROM THE PLACING AND PUBLIC OFFER

The Company was successfully listed on the Main Board of the Stock Exchange on 18 November 2011 (the "Listing Date") by way of placing (the "Placing") and public offer (the "Public Offer") of a total of 50,000,000 shares in the Company (the "Shares") at the offer price of HK$1.25 per Share (the "Listing").

The proceeds received by the Company from the Placing and Public Offer, after deducting the relevant costs of the Placing and the Public Offer, amounted to approximately HK$44,500,000 in total. As at 31 December 2011, the Group had not used any proceeds from the Placing and the Public Offer.

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the period from the Listing Date to 31 December 2011.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

During 2011, apart from the reorganization in relation to the Listing, there was no material acquisition, disposal or investment by the Group.

DIVIDENDS

The Directors recommend, subject to shareholders' approval at the forthcoming annual general meeting (the "AGM") to be held on 25 May 2012, the payment of a final dividend of HK6.00 cents (approximately RMB4.88 cents) per share of the Company (the "Share") for the year ended 31 December 2011 to those shareholders whose names appear on the register of members of the Company on 5 June 2012. The final dividend is expected to be paid no later than 6 July 2012.

CLOSURE OF REGISTER OF MEMBERS

The AGM is scheduled to be held on 25 May 2012. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 23 May 2012 to 25 May 2012 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 22 May 2012.

In order to ascertain the entitlement to the final dividend for the year ended 31 December 2011 (if approval at the AGM), the register of members of the Company will be closed from 1 June 2012 to 5 June 2012 (both dates inclusive) during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend (if approved at the AGM), all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 31 May 2012.

AUDIT COMMITTEE

The Company established the Audit Committee on 10 June 2011 with written terms of reference in compliance with the Code Provisions (as defined below) of the Code (as defined below). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Chan Chun Chi (an independent non-executive Director with the appropriate professional qualifications as required under rule 3.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") who serves as chairman of the Audit Committee), Mr. Yu Xi Chun and Mr. Wu Hao Tian.

The Audit Committee has reviewed the accounting principles, accounting standards and methods adopted by the Company together with the management, discussed the matters concerning the internal controls, as well as reviewed the Group's annual results for the year ended 31 December 2011.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Upon specific enquiries of all Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the period since the Listing Date to 31 December 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Since the Listing, the Company has applied the principles of the Code on Corporate Governance Practices (the "Code") and complied with the code provisions (the "Code Provisions") and certain recommended best practices set out in the Code contained in Appendix 14 to the Listing Rules, save for the deviation from Code Provision A.2.1, which states that the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual. Mr. Chao, who acts as the chairman and the CEO of the Company, is also responsible for the overall business strategy and development and management of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions, complement the role of the chairman and the CEO. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently.

The Company understands the importance to comply with the code provision A.2.1 and will continue to consider the feasibility of appointing a CEO.

By Order of the Board
Jin Bao Bao Holdings Limited
Chao Pang Ieng
Chairman

Hong Kong, 16 March 2012

As at the date of this announcement, the Board comprises Mr. Chao Pang Ieng, Ms. Zhou Zheng Bin, Ms. Chen Fen and Mr. Zuo Ji Lin as executive Directors; Mr. Chan Chun Chi, Mr. Yu Xi Chun and Mr. Wu Hao Tian as independent non-executive Directors.