BRILLIANT CIRCLE HOLDINGS INTERNATIONAL LIMITED
貴聯控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1008)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board (the "Board") of directors (the "Directors") of Brilliant Circle Holdings International Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2012 (the "Period under Review") together with the comparative figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		Six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**692,559**	734,328
Cost of sales		**(495,915)**	(518,211)
Gross profit		**196,644**	216,117
Other income		**5,622**	7,366
Other gains and losses		**10,592**	8,214
Selling and distribution expenses		**(19,177)**	(19,814)
Administrative expenses		**(47,322)**	(34,332)
Other expenses		**(11,438)**	(1,953)
Finance costs		**(16,908)**	(11,367)
Share of profit of an associate		**100,018**	70,339
Profit before taxation		**218,031**	234,570
Taxation	*6*	**(23,776)**	(33,693)
Profit for the period	*7*	**194,255**	200,877
Exchange differences arising on translation		**(31,744)**	20,388
Total comprehensive income for the period		**162,511**	221,265

	Note	Six months ended 30 June 2012 (Unaudited) *HK$'000*	2011 (Unaudited) *HK$'000*
Profit for the period attributable to:			
– Owners of the Company		**191,859**	184,245
– Non-controlling interests		**2,396**	16,632
		194,255	200,877
Total comprehensive income attributable to:			
– Owners of the Company		**160,507**	202,421
– Non-controlling interests		**2,004**	18,844
		162,511	221,265
Earnings per share	*9*		
– Basic		**HK$0.26**	HK$0.27

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**690,097**	711,307
Prepaid lease payments		**19,619**	20,195
Goodwill		**597,760**	602,896
Intangible assets		**64,174**	68,935
Interest in an associate		**566,075**	615,022
Deposit for property, plant and equipment		**21,267**	11,930
Deposit for acquisition of a subsidiary		**67,720**	–
		2,026,712	2,030,285
Current assets			
Inventories		**166,744**	188,155
Prepaid lease payments		**808**	815
Trade and bills receivables	*10*	**505,334**	560,434
Other receivables, prepayments and deposits		**31,204**	28,220
Tax recoverable		**–**	2,012
Pledged bank deposits		**24,850**	49,313
Bank balances and cash		**527,614**	353,743
		1,256,554	1,182,692
Current liabilities			
Trade and bills payables	*11*	**253,437**	233,328
Other payables and accruals		**84,480**	102,069
Amount due to a Controlling Shareholder		**114,012**	193,749
Amounts due to non-controlling interests		**15,200**	15,330
Bank borrowings		**300,301**	245,125
Obligations under finance leases		**2,161**	6,524
Income tax payable		**13,651**	39,559
		783,242	835,684
Net current assets		**473,312**	347,008
Total assets less current liabilities		**2,500,024**	2,377,293

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Non-current liabilities		
Bank borrowings	**290,000**	–
Promissory note	**151,304**	346,140
Deferred tax liabilities	**50,573**	61,805
	491,877	407,945
Net assets	**2,008,147**	1,969,348
Capital and reserves		
Share capital	**7,325**	7,325
Share premium and reserves	**1,950,249**	1,906,753
Equity attributable to owners of the Company	**1,957,574**	1,914,078
Non-controlling interests	**50,573**	55,270
	2,008,147	1,969,348

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. GENERAL

The Company was incorporated in the Cayman Islands on 11 November 2008 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Mr. Tsoi Tak (the "Controlling Shareholder"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is 18th Floor, No. 111, Leighton Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are engaged in provision of the printing of cigarette package, manufacturing of laminated papers, printing of packages and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$") and the Company's functional currency is Renminbi that mainly influences the operation of the Group's significant entities.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

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

4. REVENUE

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Printing of cigarette packages	**571,821**	592,200
Provision of printing services	**109,246**	128,141
Manufacturing of laminated papers	**11,492**	13,987
	692,559	734,328

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided.

The Group's operating and reportable segments currently are: (i) provision of printing services, (ii) printing of cigarette packages, and (iii) manufacturing of laminated papers. The CODM considered the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

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

	Segment revenue Six months ended 30 June		Segment results Six months ended 30 June	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue and segment results:				
Printing of cigarette packages	**571,821**	592,200	**166,575**	184,786
Provision of printing services	**109,246**	128,141	**13,497**	12,717
Manufacturing of laminated papers	**11,492**	13,987	**1,415**	2,804
	692,559	734,328	**181,487**	200,307
Unallocated income and gains			**16,214**	15,580
Unallocated expenses			**(62,780)**	(40,289)
Finance costs			**(16,908)**	(11,367)
Share of profit of an associate			**100,018**	70,339
Profit before taxation			**218,031**	234,570

5. SEGMENT INFORMATION *(Continued)*

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

	Segment assets		Segment liabilities	
	30 June 2012	31 December 2011	**30 June 2012**	31 December 2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Segment assets and liabilities:				
Printing of cigarette packages	**1,116,981**	1,190,975	**228,030**	213,761
Provision of printing services	**214,959**	222,556	**23,436**	17,746
Manufacturing of laminated papers	**20,203**	22,595	**1,971**	1,821
Total segment assets and liabilities	**1,352,143**	1,436,126	**253,437**	233,328
Unallocated	**1,931,123**	1,776,851	**1,021,682**	1,010,301
	3,283,266	3,212,977	**1,275,119**	1,243,629

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, share of profit of an associate, finance costs, income tax expenses, unallocated income, gains and expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment assets represent certain property, plant and equipment, trade and bills receivables and inventories which are directly attributable to the relevant operating and reportable segment. Segment liabilities represent trade and bills payables which are directly attributable to the relevant operating and reportable segment. These are the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

All of the segment revenue reported above is from external customers.

6. TAXATION

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**257**	–
The PRC Enterprise Income Tax ("EIT")	**20,098**	29,370
Withholding tax	**18,557**	7,401
Overprovision of EIT in prior periods	**(4,348)**	(5,022)
Deferred taxation	**(10,788)**	1,944
	23,776	33,693

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the six months ended 30 June 2012.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2011:15% to 25%) in the People's Republic of China ("PRC"). Pursuant to the "Enterprise Income Tax Law for Foreign Investment Enterprises and Foreign Enterprises", some PRC subsidiaries, being a High-Tech Enterprise, were entitled to a reduced PRC EIT rate of 15% for the years from 2010 to 2012.

6. **TAXATION** *(Continued)*

Upon the New Tax Law and Implementation Regulations, PRC withholding income tax is applicable to dividends payable to investors that are "non-PRC tax resident enterprises", which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or a lower tax rate, as applicable. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries and an associate.

Deferred taxation is recognised in profit or loss in both periods on temporary differences in relation to accelerated tax depreciation and undistributed profits of subsidiaries, associate and intangible assets.

7. **PROFIT FOR THE PERIOD**

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**2,125**	1,137
Other staff costs		
Salaries and other benefits	**54,314**	50,534
Contributions to retirement benefits schemes	**2,879**	2,860
	59,318	54,531
Release of prepaid lease payments	**406**	395
Amortisation of intangible assets (included in cost of sales)	**4,020**	4,020
Depreciation of property, plant and equipment	**40,743**	39,214
Operating lease rentals in respect of rented premises	**6,149**	2,237
Research and development costs recognised as an expense (included in other expenses)	**350**	249
Legal and professional fee (included in other expenses)	**11,088**	1,704
Share of taxation of an associate	**18,599**	14,298
and after crediting to other income:		
Interest income	**(2,279)**	(1,278)
Processing fee income	**–**	(2,127)
Sales of scrap materials	**(1,880)**	(1,944)
Government grants *(Note)*	**–**	(1,240)
and after crediting to other gains and losses:		
Gain on disposal of property, plant and equipment	**(457)**	(470)
Net foreign exchange gain	**(10,135)**	(7,744)

Note: For the six months ended 30 June 2011, government grants were received from the government of the PRC mainly as incentives granted by local authority for encouragement of its business development. These grants were accounted for as financial support with no future related costs expected to be incurred nor related to any assets.

8. DIVIDENDS

During the current interim period, a final dividend of HK15.97 cents per share in respect of the year ended 31 December 2011 (2011: HK$ nil cents per share in respect of the year ended 31 December 2010) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK$117,011,000 (2011: HK$ nil).

The directors do not recommend the payment of an interim dividend.

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share	**191,859**	184,245

	Number of shares	
	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	'000	*'000*
Weighted average number of shares for the purpose of basic earnings per share	**732,500**	681,875

The weighted average number of shares for the purpose of basic earnings per share for the period ended 30 June 2011 had taken into account the issue of 480,000,000 new shares in exchange of the entire equity interest in Brilliant Circle Group Holdings limited ("Brilliant Circle") as if they had been issued upon combination on 10 September 2009.

No dilutive earnings per share is presented as the Group did not have any potential ordinary shares during both periods.

10. TRADE AND BILLS RECEIVABLES

The Group allows a credit period of 90 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of reporting period.

	30 June	31 December
	2012	2011
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
0–90 days	**440,824**	485,704
91–180 days	**45,300**	70,594
181–365 days	**16,946**	2,524
Over 365 days	**2,264**	1,612
	505,334	560,434

11. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables by age, presented based on the invoice date at the end of the reporting period.

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
0–30 days	**148,525**	159,618
31–90 days	**90,724**	62,244
91–180 days	**11,020**	11,329
181–365 days	**2,967**	12
Over 365 days	**201**	125
	253,437	233,328

BUSINESS REVIEW

Cigarette Package Printing

The Directors are pleased with the performance of the cigarette package printing business during the Period under Review. Moves by the State Tobacco Monopolies Association ("STMA") to overhaul the package design policies resulted in a decline in revenue for the first half of 2012, though it is expected to recover through the second half of 2012. Despite the drop in the revenue, the average selling price for the cigarette package printing business had increased since more orders for new products with higher sales value were received during the Period under Review. These new orders were won due to our strong research and development capabilities. In addition, the Group's associated company, Changde Goldroc Rotogravure Printing Co., Ltd. (CD Goldroc), achieved a remarkable growth in both revenue and net profit. Further, a generally positive trend among the Group's sales volume can be foreseen, contrary to the broadly reported slow down in Chinese consumer spending.

Provision of Printing Services

Results from last year's cost cutting and restructuring efforts at CT Printing Limited ("CTPL") have so far been encouraging. The profits were improving and the trend shows that our efforts are bearing fruit. The Directors expect operations at CTPL will continue to improve, and the mix of products offered will be further diversified over the course of the year.

Manufacturing of Laminated Papers

The laminated paper business experienced a seasonal slowdown in the Period under Review. This slowdown is anticipated to equalize over the course of the year, in line with the industry trends as with the cigarette package printing business.

Fund Raising Activities

During the Period under Review, the Company completed a HK$300 million syndicated loan with a three-year tenor. The syndication was very successful, reflecting the strength of our business and the confidence shared by our financing partners. The loan was dedicated to finance the acquisition of Giant Sino Investments Limited (together with its subsidiaries, the "Giant Group") as announced by the Company dated 17 April 2012.

Capital structure and funding needs will continue to be evaluated going forward. The Group's current gearing ratio remains healthy, given the strong cash generation capability of our business.

Prospects

The consolidation of the cigarette packages printing industry has continued throughout the Period under Review. As a nexus of consolidation in the industry, the Group's acquisition of the Giant Group has been completed in July 2012. This has strengthened the Group's market position to be one of the leaders in cigarette package printing in China. The Directors will continue to look for any opportunities for strategic acquisitions in the cigarette package printing space in the months and years to come.

REVENUE

During the Period under Review, the revenue of the Group was approximately HK$692.6 million, which represents a decrease of approximately HK$41.8 million or 5.7% when compared with the same period in 2011 (six months ended 30 June 2011: HK$734.3 million).

Cigarette Packages Printing Services

Revenue for cigarette packages printing services were approximately HK$571.8 million (six months ended 30 June 2011: HK$592.2 million) which represents a decrease of approximately HK$20.4 million or 3.4% when compared to the same period in 2011. Such decrease was mainly due to the reduction in sales volume because a new policy has been imposed by STMA from 1 April 2012 onwards that the health warning labels on the cigarette packages must be larger and easier to read. The new policy induced most of the Group's customers to hold back their orders until all of their old inventories were utilized. Consequently, the sales volume of the Group decreased by approximately 8.0% to approximately 783,000 master cases when compared to the same period in 2011. Despite the strong price competition in the tendering system, the average selling price was further increased as a result of new product orders with a higher sales value. Therefore, the impact in reduction in sales volume was partly offset by the increases attributable to new, higher value sales.

Provision of Printing Services

As the economy in Europe has still not recovered yet, the Group changed the sales strategy to focus on those more reputable customers with a higher profit margin. As a result, revenue from provision of printing services decreased by approximately HK$18.9 million or 14.8% to approximately HK$109.2 million (six months ended 30 June 2011: HK$128.1 million) when compared to the same period in 2011.

Manufacturing of Laminated Papers

Revenue from manufacturing of laminated papers during the Period under Review was approximately HK$11.5 million (six months ended 30 June 2011: HK$14.0 million) which represents a decrease of approximately HK$2.5 million or 17.8% when compared to the same period in 2011. This decline in sales was mainly resulting from the reduction in sales orders received.

GROSS PROFIT

During the Period under Review, gross profit decreased slightly by approximately HK$19.5 million, or 9.0% to approximately HK$196.6 million as compared with the same period in 2011. The decrease was primarily due to the decline in revenue.

OTHER INCOME

Other income mainly represents interest income, income from sales of scrap materials and other miscellaneous income. During the Period under Review, such income decreased by approximately HK$1.7 million as compared with the same period in 2011.

OTHER GAINS AND LOSSES

Other gains and losses mainly represent net foreign exchange gains and gain on disposal of property, plant and equipment. During the Period under Review, such income increased by approximately HK$2.4 million, which was mainly caused by the increase in exchange gain.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the Period under Review decreased by approximately HK$0.6 million or 3.2% to approximately HK$19.2 million (six months ended 30 June 2011: HK$19.8 million). No significant fluctuation was recorded when compared with the same period in 2011.

ADMINISTRATIVE EXPENSES

Administrative expenses during the Period under Review amounted to approximately HK$47.3 million, which represents an increase of approximately HK$13.0 million or 37.8% as compared with the same period in 2011. The increase was mainly attributable to the increase in donation, rental charge for the Shenzhen office and salary and bonus paid.

OTHER EXPENSES

The other expenses amounted to approximately HK$11.4 million (six months ended 30 June 2011: HK$2.0 million) mainly represent the legal and professional fees paid and research and development costs. Such expenses were higher by approximately HK$9.4 million primarily due to the acquisition of the Giant Group during the Period under Review.

FINANCE COSTS

Finance cost increased by approximately HK$5.5 million during the Period under Review, which was mainly attributable to the interest paid to the promissory note, which had not been issued in the same period in 2011, together with the increase in interest paid to the bank borrowings during the Period under Review.

SHARE OF PROFIT OF AN ASSOCIATE

Share of profit of an associate during the Period under Review amounted to approximately HK$100.0 million (six months ended 30 June 2011: HK$70.3 million), which represents an increase of approximately HK$30.0 million or 42.2%. During the Period under Review, the revenue and profit for the period of the associated company, CD Goldroc, were approximately HK$1,026.0 million (six months ended 30 June 2011: HK$794.2 million) and HK$285.9 million (six months ended 30 June 2011: HK$188.5 million) respectively.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

During the Period under Review, profit attributable to the owners of the Company was approximately HK$191.9 million, representing an increase of approximately HK$7.6 million when compared with the same period in 2011. Such growth was mainly due to both the decrease of profit attributable to the non-controlling interests to approximately HK$2.4 million (six months ended 30 June 2011: HK$16.6 million) and the increase of share of profit of an associate.

The decrease in the profit attributable to the non-controlling interests is the consequence of the acquisition of the remaining 47.36% equity interest in Bengbu Jinhuangshan Rotogravure Printing Co., Ltd, which was completed on 15 July 2011.

SEGMENT INFORMATION

During the Period under Review, the earnings from the cigarette packages printing services, provision of other printing services and manufacturing of laminated papers were approximately HK$166.6 million (six months ended 30 June 2011: HK$184.8 million), HK$13.5 million (six months ended 30 June 2011: HK$12.7 million) and HK$1.4 million (six months ended 30 June 2011: HK$2.8 million) respectively. Earnings from the cigarette packages printing services accounted for approximately 91.8% of the total segment earnings before unallocated items. The earnings from cigarette packages printing services and manufacturing of laminated papers decreased by approximately 9.9% and 23.9% respectively, while the earnings from provision of other printing services increased by approximately 1.0%.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 30 June 2012, the Group had net current assets of approximately HK$473.3 million (as at 31 December 2011: HK$347.0 million), while the Group's cash and cash equivalents amounted to approximately HK$527.6 million (as at 31 December 2011: HK$353.7 million).

As at 30 June 2012, the interest-bearing bank loans of the Group amounted to approximately HK$300.3 million (as at 31 December 2011: HK$245.1 million) and HK$290.0 million (as at 31 December 2011: Nil), which were repayable within and after one year respectively. The interest-bearing obligations under finance leases amounted to approximately HK$2.2 million (as at 31 December 2011: HK$6.5 million) and were repayable within one year. The interest-bearing promissory note amounted to approximately HK$151.3 million (as at 31 December 2011: HK$346.1 million) was repayable after one year. Carrying amounts of trade and bills receivables, property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK$40.8 million, HK$166.7 million and HK$24.8 million respectively.

As at 30 June 2012, the Group's gearing ratio represented by the amount of interest-bearing borrowings divided by shareholders equity was approximately 36.9% (as at 31 December 2011: 30.0%). The increase in the gearing ratio was mainly attributable to the increase in bank borrowings during the Period under Review. As at 30 June 2012, capital commitment of the Group for purchase of property, plant and equipment amounted to approximately HK$51.9 million (as at 31 December 2011: HK$12.6 million).

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period under Review, the Group has entered into the sale and purchase agreement (the "Agreement") to acquire 60% of equity interest in the Giant Group at a cash consideration of HK$720.0 million (the "Acquisition"). The cash consideration comprises: (i) deposit of HK$67,720,000 which has been paid as at 30 June 2012, (ii) initial purchase price of HK$292,280,000 and (iii) deferred consideration of HK$360,000,000 (subject to downward adjustment in respect of the guaranteed profit as described in the Agreement), which is required to be paid within five business days of the date of receipt of the audited financial statements of the Giant Group for the twelve-month period ended after the date of completion of the Acquisition. The Giant Group is principally engaged in the printing of cigarette packages in the PRC. The management is of the view that the Acquisition is in line with the development strategy of the Group and enables the Group to consolidate the profits of Giant Group and benefit from its financial performance. Completion of the Acquisition took place on 3 July 2012 and details of the Acquisition are set out in the announcement of the Company dated 17 April 2012 and the circular of the Company dated 25 May 2012 respectively.

There was no material disposal made by the Group during the Period under Review.

CONTINGENT LIABILITIES

As at 30 June 2012, the Group did not have significant contingent liabilities (as at 31 December 2011: Nil).

CAPITAL STRUCTURE

During the Period under Review, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 30 June 2012, the borrowings were mainly denominated in Hong Kong dollars, Renminbi and United States dollars ("US dollars"), while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and Renminbi. The Group's turnover is mainly denominated in Renminbi, US dollars, Pounds Sterling, Euros and Hong Kong dollars, while its costs and expenses are mainly denominated in US dollars, Hong Kong dollars and Renminbi. As the Board considers that the risk exposure to foreign exchange rate fluctuations is not significant, the Group does not have a formal hedging policy and has not entered into any material foreign currency exchange contracts or derivative transactions to hedge against its currency risks.

HUMAN RESOURCES

As at 30 June 2012, the Group had 32 and 1,312 full-time staff based in Hong Kong and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with appropriate laws and regulations in the PRC, The Group has also adopted a share option scheme to provide incentive or reward to eligible high-calibre employees and attract human resources that are valuable to the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's shares during the Period under Review.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period under Review (six months ended 30 June 2011: HK5.19 cents per share).

CORPORATE GOVERNANCE

The Company had met the relevant code provisions set out in the Corporate Governance Code based on the principles set out in Appendix 14 to the Listing Rules during the Period under Review except for the provision E.1.2 of the Corporate Governance Code in that the chairman of the Board was absent from the annual general meeting of the Company held on 30 May 2012 due to business matters.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial statements for the Period under Review with the Directors. The audit committee of the Company comprises the three independent non-executive Directors and the non-executive Director.

By Order of the Board
Brilliant Circle Holdings International Limited
Mr. Tsoi Tak
Chairman

Hong Kong, 22 August 2012

As at the time of this announcement, the Board comprises five executive Directors, namely Mr. Tsoi Tak (Chairman), Mr. Cai Xiao Ming, David (Vice-Chairman), Mr. Kiong Chung Yin, Yttox, Mr. Tang Jian Xin and Mr. Qin Song, one non-executive Director, namely, Mr. Sean Xing He, and three independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy and Mr. Siu Man Ho, Simon.