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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK$1,939 million (2011: HK$1,690 million), a growth of 14.7%.
- Profit for the year attributable to the owners of the Company was approximately HK$433 million (2011: HK$388 million), a growth of 11.6%.
- Earnings before interest expense, taxation, depreciation and amortization amounted to approximately HK$731 million (2011: HK$622 million), a growth of 17.5%.
- Earnings per share (basic) was HK59 cents (2011: HK55 cents)
- Final dividend of HK23.60 cents per share (2011: HK15.97 cents) has been proposed by the Board

The board (the "Board") of directors (the "Directors") of Brilliant Circle Holdings International 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 2012 together with the comparative figures for 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	NOTES	**2012** **HK$'000**	2011 *HK$'000*
Revenue	*4&5*	**1,939,440**	1,689,537
Cost of sales		**(1,358,546)**	(1,174,476)
Gross profit		**580,894**	515,061
Other income	*6*	**26,825**	14,726
Other gains and losses	*7*	**5,634**	8,226
Selling and distribution expenses		**(48,881)**	(47,228)
Administrative expenses		**(101,388)**	(97,862)
Other expenses		**(41,829)**	(20,812)
Finance costs	*8*	**(57,166)**	(29,035)
Share of profit of an associate		**197,767**	156,424
Profit before taxation		**561,856**	499,500
Taxation	*9*	**(98,772)**	(81,150)
Profit for the year	*10*	**463,084**	418,350
Exchange differences arising on translation		**17,590**	69,987
Total comprehensive income for the year		**480,674**	488,337
Profit for the year attributable to:			
Owners of the Company		**432,630**	387,572
Non-controlling interests		**30,454**	30,778
		463,084	418,350
Total comprehensive income attributable to:			
Owners of the Company		**450,406**	453,666
Non-controlling interests		**30,268**	34,671
		480,674	488,337
		HK$	*HK$*
Earnings per share	*12*		
Basic		**0.59**	0.55

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012

	NOTES	**2012** **HK$'000**	2011 *HK$'000*
Non-current assets			
Property, plant and equipment		**756,623**	711,307
Prepaid lease payments		**31,411**	20,195
Goodwill		**1,095,551**	602,896
Intangible assets		**415,339**	68,935
Interest in an associate		**676,104**	615,022
Deposits for property, plant and equipment and prepaid lease payments		**15,681**	11,930
		2,990,709	2,030,285
Current assets			
Inventories		**206,289**	188,155
Prepaid lease payments		**1,064**	815
Trade and bills receivables	*13*	**852,849**	560,434
Other receivables, prepayments and deposits		**36,131**	28,220
Tax recoverable		**–**	2,012
Pledged bank deposits		**5,300**	49,313
Bank balances and cash		**558,803**	353,743
		1,660,436	1,182,692
Current liabilities			
Trade and bills payables	*14*	**386,951**	233,328
Other payables and accruals		**131,339**	102,069
Amount due to Controlling Shareholder		**113,802**	193,749
Amounts due to non-controlling interests of subsidiaries		**478,408**	15,330
Bank borrowings		**242,892**	245,125
Promissory note		**162,429**	–
Obligations under finance leases		**264**	6,524
Income tax payable		**60,972**	39,559
		1,577,057	835,684
Net current assets		**83,379**	347,008
Total assets less current liabilities		**3,074,088**	2,377,293

	2012	2011
	HK$'000	*HK$'000*
Non-current liabilities		
Promissory note	**–**	346,140
Bank borrowings	**486,944**	–
Deferred tax liabilities	**104,888**	61,805
	591,832	407,945
Net assets	**2,482,256**	1,969,348
Capital and reserves		
Share capital	**7,325**	7,325
Share premium and reserves	**2,240,148**	1,906,753
Equity attributable to owners of the Company	**2,247,473**	1,914,078
Non-controlling interests	**234,783**	55,270
	2,482,256	1,969,348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 Company and its subsidiaries (collectively referred to as 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 consolidated financial statements are presented in Hong Kong dollars ("HK$") and the Company's functional currency is Renminbi ("RMB") that mainly influences the operation of the Group's significant entities.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to Hong Kong Accounting Standard ("HKAS") 12	Deferred Tax: Recovery of Underlying Assets; and
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised 2011)	Employee Benefits[1]
HKAS 27 (as revised 2011)	Separate Financial Statements[1]
HKAS 28 (as revised 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013
2 Effective for annual periods beginning on or after 1 January 2014
3 Effective for annual periods beginning on or after 1 January 2015
4 Effective for annual periods beginning on or after 1 July 2012

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group's annual period beginning 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of HKFRS 10 and HKFRS 12 are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC) - INT 12 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. 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 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards is unlikely to have an impact on amounts reported in the consolidated financial statements.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared in accordance with HKFRSs 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

4. **REVENUE**

Revenue represents revenue arising on sales of cigarette packages and laminated papers and provision of printing services for the year. An analysis of the Group's revenue for the year is as follows:

	2012	2011
	HK$'000	*HK$'000*
Printing of cigarette packages	**1,653,182**	1,372,529
Provision of printing services	**250,176**	283,252
Manufacturing of laminated papers	**36,082**	33,756
	1,939,440	1,689,537

5. **SEGMENT INFORMATION**

Information reported to the Executive Directors, 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. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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.

Segment revenue and results

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

For the year ended 31 December 2012

	Printing of cigarette packages *HK$'000*	**Provision of printing services** *HK$'000*	**Manufacturing of laminated papers** *HK$'000*	**Total** *HK$'000*
Segment revenue	**1,653,182**	**250,176**	**36,082**	**1,939,440**
Segment profit	**528,431**	**22,275**	**7,951**	**558,657**
Unallocated – other income and other gains and losses				**32,459**
Unallocated expenses				**(169,861)**
Finance costs				**(57,166)**
Share of profit of an associate				**197,767**
Profit before taxation				**561,856**

For the year ended 31 December 2011

	Printing of cigarette packages *HK$'000*	Provision of printing services *HK$'000*	Manufacturing of laminated papers *HK$'000*	Total *HK$'000*
Segment revenue	1,372,529	283,252	33,756	1,689,537
Segment profit	432,055	35,733	8,085	475,873
Unallocated – other income and other gains and losses				22,952
Unallocated expenses				(126,714)
Finance costs				(29,035)
Share of profit of an associate				156,424
Profit before taxation				499,500

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, amortisation of intangible assets, unallocated income, other gains and losses, and expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

6. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Interest on bank deposits	**4,091**	2,873
Sales of scrap materials	**5,167**	4,246
Government grants *(Note)*	**11,381**	1,976
Sundry income	**6,186**	5,631
	26,825	14,726

Note: 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 are accounted for as financial support with no future related costs expected to be incurred nor related to any assets.

7. OTHER GAINS AND LOSSES

	2012	2011
	HK$'000	*HK$'000*
Net foreign exchange gain	**7,424**	7,694
(Loss) gain on disposal of property, plant and equipment	**(1,790)**	532
	5,634	8,226

8. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**31,630**	20,944
Finance lease	**114**	474
Promissory note	**18,242**	7,617
Interest expense on amount due to non-controlling interests	**7,180**	–
	57,166	29,035

9. TAXATION

	2012	2011
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**11,048**	920
The PRC Enterprise Income Tax ("EIT")	**87,299**	65,670
Withholding tax	**22,104**	7,957
	120,451	74,547
Overprovision of EIT in prior years	**(8,344)**	(1,445)
Deferred tax:		
Current year	**(13,335)**	8,048
	98,772	81,150

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for both years.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2011: 15% to 25%) in the 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 EIT rate of 15% for the years from 2010 to 2012.

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 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.

10. PROFIT FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Staff costs:		
Directors' emoluments	**5,808**	2,354
Other staff costs		
Salaries and other benefits	**144,637**	146,987
Contributions to retirement benefits schemes	**4,868**	4,425
	155,313	153,766
Auditors' remuneration	**5,456**	4,735
Cost of inventories recognised as expenses *(Note)*	**1,341,479**	1,163,248
Release of prepaid lease payments	**815**	799
Amortisation of intangible assets (included in cost of sales)	**26,644**	8,040
Depreciation of property, plant and equipment	**84,896**	84,386
Operating lease rentals in respect of rented premises	**6,615**	4,638
Recognition of impairment on trade receivables	**1,125**	869
Research and development costs recognised as an expense (included in other expenses)	**2,793**	2,507
Legal and professional fee relating to business combination (included in other expenses)	**6,103**	13,548
Share of taxation of an associate	**37,121**	28,595

Note: For the year ended 31 December 2012, cost of inventories included recognition of write-down on obsolete inventories of HK$3,363,000 (2011: HK$1,270,000).

11. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2012 – HK nil(2011: HK15.97 cents) per share	**–**	38,017

The final dividend of HK23.60 cents in respect of the year ended 31 December 2012 (2011: HK15.97 cents) per share, amounting to approximately HK$172,870,000 (2011: HK$117,011,000), has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting. The proposed 2012 final dividend will be payable with a combination of cash and scrip dividend.

12. EARNINGS PER SHARE

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

	2012	2011
	HK$'000	HK$'000
Earnings for the purpose of basic earnings per share	**432,630**	387,572

	2012	2011
	'000	'000
Weighted average number of shares for the purpose of basic earnings per share	**732,500**	705,313

The weighted average number of shares for the purpose of basic earnings per share for the year ended 31 December 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 as if they had been issued upon the business combination on 10 September 2009.

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

13. TRADE AND BILLS RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**802,094**	539,409
Less: allowance for doubtful debts	**(968)**	(4,241)
	801,126	535,168
Bills receivables	**51,723**	25,266
	852,849	560,434

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 the reporting period, which approximated the respective revenue recognition dates.

	2012	2011
	HK$'000	*HK$'000*
0 – 90 days	**786,853**	485,704
91 – 180 days	**55,854**	70,594
181 – 365 days	**7,587**	2,524
Over 365 days	**2,555**	1,612
	852,849	560,434

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by each customer. Limits attributed to customers are reviewed once a year. The trade and bills receivables that are neither past due nor impaired have the best credit quality assessed by the Group.

Included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of HK$65,996,000 (2011: HK$74,730,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

14. TRADE AND BILLS PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**373,051**	210,268
Bills payables	**13,900**	23,060
	386,951	233,328

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

	2012	2011
	HK$'000	*HK$'000*
0 – 30 days	**292,115**	159,618
31 – 90 days	**76,607**	62,244
91 – 180 days	**17,666**	11,329
181 – 365 days	**224**	12
Over 365 days	**339**	125
	386,951	233,328

The credit period on purchases of goods ranges from 30 days to 180 days. The Group monitors and maintains a level of cash and cash equivalents sufficient to ensure that all payables are within the credit timeframe.

BUSINESS REVIEW

For the year ended 31 December 2012, the Company achieved revenue of approximately HK$1,939.4 million with profits attributable to owners amounting to approximately HK$432.6 million and the basic earnings per share of approximately HK59 cents. The Board recommended the payment of a final dividend for the year under review of HK$172.9 million, or HK23.6 cents per share.

This outstanding performance was in no small part attributable to the successful acquisition of Giant Sino Investments Limited and its subsidiaries (collectively referred as the "Giant Sino Group"), completed on 3 July 2012. This acquisition further enhanced the Group's position as a leader in the China cigarette package printing market. The acquisition represents a continuation of the industry consolidation strategy adopted by the Group since 2011. During the year, the Group achieved Underlying Profit of approximately HK$476.1 million, a growth of 14.1% over 2011.

Note: Underlying profit ("Underlying Profit") is calculated as profit for the year attributable to the owners of the Company excluding the professional fees and other one-time expenses related to business combination, amortization and depreciation charges arising from business valuation.

Cigarette Package Printing

The Group's cigarette package printing business achieved strong top and bottom line growth. Though the first half was slow as a result of changes in cigarette packaging laws in China, the Group managed to recover through the second half of the year. Meanwhile, the mandatory tendering system introduced in late 2010 continued to have an impact. While many of the tender renewal contracts were still under negotiation during the year under review, results from certain key customers showed strong support for the business segment.

The cigarette package printing segment was further boosted by the acquisition of Giant Sino Group and the strong performance of its onshore subsidiary, 深圳揚豐印刷有限公司 (for identification purpose, in English, Yangfeng Printing & Packaging Co., Ltd., referred as "Yangfeng"). The acquisition faced only minimal integration issues due to the similarities between Yangfeng's business and the rest of the Group, as well as the relationship that was developed between Yangfeng's management and the Group during the three years prior to the acquisition.

Other Printing Services

Our book printing business in the year under review began to overhaul its operations to prepare itself for strong future growth opportunities. During the year, CT Printing Limited ("CTPL") terminated relationships with low margin or challenged overseas customers. Meanwhile, CTPL completed its conversion to a wholly foreign-owned enterprise and as such is able to serve customers in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year, the revenue of the Group was approximately HK$1,939.4 million (2011: HK$1,689.5 million), which represents an increase of approximately HK$249.9 million or 14.8% when compared with 2011. The revenues of the cigarette package printing business, provision of printing services and manufacturing of laminated papers were approximately HK$1,653.2 million (2011: HK$1,372.5 million), HK$250.2 million (2011: HK$283.3 million) and HK$36.1 million (2011: HK$33.8 million) respectively.

The growth of revenue in the cigarette package printing business was approximately 20.5%. This growth was mainly the result of the successful acquisition of Giant Sino Group, whose results have been consolidated into the Group since the completion on 3 July 2012. In addition to acquisition-driven growth, the cigarette package printing business saw an increase in sales volume from approximately 2.0 million cases in 2011 to 2.1 million cases in 2012, as well as a surge in average selling price resulting from the enhancement in product mix.

The Group optimized the mix of customers by removing those overseas customers with low margin contribution for the provision of printing services business. This overhaul resulted in a decline in revenue of approximately 11.7% for this segment. Meanwhile, the management of the Group is actively exploring the printing service business in the PRC to cover the customers lost in the overseas market.

A slight revenue increase was recorded for the manufacturing of laminated papers during the year.

Gross Profit

During the year, gross profit increased by approximately HK$65.8 million, or 12.8% to approximately HK$580.9 million as compared with 2011. This increase was in line with the increase in revenue. However, an extra charge for the amortization of customer relationships made an impact on the Group's gross profit margin for the year. This charge, appearing in the increase of cost of sales, amounted to approximately HK$18.6 million and came about from the acquisition of Giant Sino Group. As a result, gross profit margin decreased modestly to approximately 30.0% from 30.5% in 2011.

Other Income

Other income mainly represents interest income, income from sales of scrap materials, government grants and other miscellaneous income. During the year, such income increased by approximately HK$12.1 million as compared with 2011. Other income had a substantial increase during the year as government grants of approximately HK$11.4 million were received during the year.

Other Gains and Losses

Other gains and losses mainly represent net foreign exchange gains and gain/loss on disposal of property, plant and equipment. During the year, such gains and losses decreased by approximately HK$2.6 million due to the loss on disposal of property, plant and equipment, which was amounted to approximately HK$1.8 million.

Selling and Distribution Expenses

No significant variance was recorded in selling and distribution expenses when comparing to 2011 and such expenses increased only approximately HK$1.6 million or 3.5%.

Administrative Expenses and Other Expenses

During the year, administrative expenses and other expenses of approximately HK$143.2 million were incurred, which represents an increase of approximately HK$24.5 million or 20.6% when comparing with 2011. Such increase was mainly the result of the legal and professional fees spent for the acquisition of Giant Sino Group and corporate finance activities.

Finance Costs

Finance costs increased by approximately HK$28.1 million during the year, which was mainly attributable to the HK$500.0 million syndicated loan interest and other finance costs paid – amounting to approximately HK$12.6 million – together with the increase in effective interest of promissory note of approximately HK$10.6 million and increase in interest expense on amounts due to non-controlling interests of approximately HK$7.2 million.

Share of Profit of an Associate

Thanks to the great boost to the business of Changde Goldroc Rotogravure Printing Co., Limited ("CD Goldroc"), share of profit of an associate increased by approximately HK$41.3 million or 26.4% during the year. Revenue of CD Goldroc increased from HK$1,769.8 million in 2011 to HK$2,119.7 million in 2012 and the sales volume reached approximately 1.6 million cases (2011: 1.4 million cases).

Profit for the Year Attributable to Owners of the Company

During the year, profit attributable to the owners of the Company was HK$432.6 million, representing an increase of HK$45.0 million when compared with 2011. Such growth was mainly resulting from the consolidation of the results of Giant Sino Group upon the completion of acquisition. In addition, an increase in turnover and gross profit also contributed to the increase in profit attributable to the owners of the Company.

Segment Information

During the year, the earnings from the printing of cigarette packages, manufacturing of laminated papers and provision of other printing services were approximately HK$528.4 million (2011: HK$432.1 million), HK$8.0 million (2011: HK$8.1 million) and HK$22.3 million (2011: HK$35.7 million) respectively. Earnings from the printing of cigarette packages accounted for approximately 94.6% of the total segment earnings before unallocated items. The earnings from the printing of cigarette packages increased by approximately 22.3%, while earnings from manufacturing of laminated and papers provision of other printing services decreased by approximately 1.7% and 37.7% respectively.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities. As at 31 December 2012, the Group had net current assets of HK$83.4 million, while the Group's cash and cash equivalents amounted to HK$558.8 million. As at 31 December 2012, the short-term interest-bearing bank borrowings of the Group amounted to HK$242.9 million. The interest-bearing obligations under finance leases amounted to HK$0.3 million and were also repayable within one year. The interest-bearing promissory note amounted to HK$162.4 million and is repayable within one year. Carrying amounts of trade receivables, prepaid lease payments, property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK$13.1 million, HK$20.4 million, HK$226.0 million and HK$5.3 million respectively. As at 31 December 2012, the Group's gearing ratio represented by the amount of interest-bearing borrowings divided by shareholders equity was 36.0% (as at 31 December 2011: 30.4%). The increase in the gearing ratio was mainly attributable to the syndicated loan used to finance the acquisition of Giant Sino Group during the year, as well as the acquisition cost payable. In the year under review, capital commitments of the Group for purchase of property, plant and equipment amounted to HK$24.4 million (2011: HK$12.6 million).

CONTINGENT LIABILITIES AND GUARANTEES

The Group did not provide any guarantees to third party and have no material contingent liabilities as at 31 December 2012.

MATERIAL ACQUISITION

During the year, the Group has successfully acquired the 60% equity interest in Giant Sino Group at a consideration of HK$720.0 million. The consideration was satisfied by the payment of HK$360.0 million in cash with the remaining consideration to be paid within one year.

There was no material disposal by the Group during the year.

CAPITAL STRUCTURE

During the year, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 31 December 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 31 December 2012, the Group had 41 and 2,343 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' base 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 adopted a share option scheme as a reward to eligible high-caliber employees and to attract similar high quality personnel that are valuable to the Group.

PROSPECT

The year under review was a turbulent one for many Chinese small and medium enterprises. While we were not immune to such ups and downs, we have managed to demonstrate the defensive and robust nature of our business in the past year. We fully expect this trend to continue in the years to come as we continue our cigarette package printing consolidation.

The mandatory tendering system introduced in late 2010 continues to provide us with a unique set of challenges. As was the case in previous years, we expect modest top line pressure on existing contracts, to be offset with gains from new products. The China National Tobacco Corporation has made it clear that unfaltering production quality, scalability, and innovation are the key factors required to win contracts through tender as well as new business. To this end, the Group continues to invest in capacity expansion as well as research and development. Our research and development investment is focused on innovative designs and techniques, as well as technologies that may improve the efficiency of our operations. We operate the only government-accredited cigarette package printing research and development center in China..

We expect further margin expansion due to improvements in our product mix from lower tier cigarette packages to higher tiers. Additionally, we expect synergies from the Yangfeng acquisition to be borne out in the coming months and years.

Shortly after the year under review, the Group and China Tobacco Hunan Investment Management Co., Ltd. ("Hunan Tobacco") renewed the license of CD Goldroc for another ten years. We are very pleased with this development as we feel that it exemplifies the strength and longevity of our relationship with Hunan Tobacco.

The overhaul of other printing services, by means of the focus on domestic PRC consumer packaging as well as other targeted international expansion initiatives, is expected to deliver excellent opportunities to the Group throughout the coming years. Meanwhile, we continue to be on the lookout for both domestic and international investment opportunities that will accelerate this overhaul process.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 of the Listing Rules. The Company had in general met the code provisions set out in the Corporate Governance Code during the year ended 31 December 2012 except that the Chairman of the Board was absent from the annual general meeting of the Company held on 30 May 2012 due to other business engagement.

REVIEW BY THE AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules with written terms of reference in line with the provisions of the Corporate Governance Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee currently has four members comprising the three independent non-executive Directors, Mr. Lui Tin Nang (Chairman of audit committee), Mr. Lam Ying Hung, Andy, Mr. Siu Man Ho, Simon and one non-executive Director, Mr. Sean Xing He. Both Mr. Lui Tin Nang and Mr. Lam Ying Hung, Andy possess the appropriate professional qualifications in accounting and related financial management expertise. The audit committee has met with the auditors of the Company, Messers. Deloitte Touche Tohmatsu, to review the accounting principles and practices adopted by the Group and the consolidated results of the Company for the year ended 31 December 2012.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2012 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2012.

ANNUAL GENERAL MEETING

The annual general meeting ("2013 AGM") of the Company will be held in Hong Kong on or about 3 June 2013. Notice of the 2013 AGM will be issued and disseminated to shareholders of the Company in due course.

FINAL DIVIDEND

The Board has resolved to recommended the payment of a final dividend of HK23.60 cents per share for the year ended 31 December 2012 (2011: HK15.97 cents), comprising a cash dividend ("Cash Dividend") of HK17.7 cents per share and a scrip dividend ("Scrip Dividend") by way of an issue of new shares equivalent to HK5.9 cents per share, to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 10 June 2013. Subject to the approval of the Company's shareholders at the 2013 AGM and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend, the Cash Dividend will be paid and the Scrip Dividend will be posted to the Company's shareholders on or about 14 June 2013. Further details of the Scrip Dividend will be set out in a circular to be sent to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2013 AGM, the register of members of the Company will be closed from 31 May 2013 to 3 June 2013 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2013 AGM, all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 30 May 2013.

For determining the entitlement to receive the proposed final dividend, the register of members of the Company will be closed from 7 June 2013 to 10 June 2013 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 6 June 2013.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express their sincere thanks to our shareholders and to our staff for their commitment and diligence during the year.

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

Hong Kong, 28 March 2013

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Tsoi Tak (Chairman), Mr. Cai Xiao Ming, David (Vice-Chairman), Mr. Kiong Chung Yin, Yttox 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.