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 2013

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 2013 (the "Period under Review") together with the comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**951,922**	692,559
Cost of sales		**(648,591)**	(495,915)
Gross profit		**303,331**	196,644
Other income		**9,051**	5,622
Other gains and losses		**1,210**	10,592
Selling and distribution expenses		**(24,395)**	(19,177)
Administrative expenses		**(43,961)**	(47,322)
Other expenses		**(4,535)**	(11,438)
Finance costs		**(57,633)**	(16,908)
Share of profit of an associate		**93,331**	100,018
Profit before taxation		**276,399**	218,031
Taxation	*6*	**(28,343)**	(23,776)
Profit for the period	*7*	**248,056**	194,255
Other comprehensive income (expense):			
Item that will not be subsequently reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**31,225**	(31,744)
Total comprehensive income for the period		**279,281**	162,511

	Note	Six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Profit for the period attributable to:			
– Owners of the Company		**220,736**	191,859
– Non-controlling interests		**27,320**	2,396
		248,056	194,255
Total comprehensive income attributable to:			
– Owners of the Company		**250,489**	160,507
– Non-controlling interests		**28,792**	2,004
		279,281	162,511
			(Restated)
Basic earnings per share	*9*	**HK$0.15**	HK$0.13

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**767,174**	756,623
Prepaid lease payments		**31,313**	31,411
Goodwill		**1,104,112**	1,095,551
Intangible assets		**393,951**	415,339
Interest in an associate		**587,497**	676,104
Deposits for property, plant and equipment		**33,754**	15,681
		2,917,801	2,990,709
Current assets			
Inventories		**152,936**	206,289
Prepaid lease payments		**1,080**	1,064
Trade and bills receivables	*10*	**612,313**	852,849
Other receivables, prepayments and deposits		**115,638**	36,131
Pledged bank deposits		**5,622**	5,300
Bank balances and cash		**785,979**	558,803
		1,673,568	1,660,436
Current liabilities			
Trade and bills payables	*11*	**165,567**	386,951
Other payables and accruals		**119,855**	131,339
Amount due to a Controlling Shareholder		**–**	113,802
Amounts due to non-controlling interests of subsidiaries		**360,067**	478,408
Bank borrowings		**616,495**	242,892
Promissory note		**–**	162,429
Obligations under finance leases		**–**	264
Income tax payable		**29,033**	60,972
		1,291,017	1,577,057
Net current assets		**382,551**	83,379
Total assets less current liabilities		**3,300,352**	3,074,088

	30 June 2013 (Unaudited)	31 December 2012 (Audited)
	HK$'000	*HK$'000*
Non-current liabilities		
Bank borrowings	**580,177**	486,944
Deferred tax liabilities	**89,648**	104,888
	669,825	591,832
Net assets	**2,630,527**	2,482,256
Capital and reserves		
Share capital	**7,442**	7,325
Share premium and reserves	**2,360,867**	2,240,148
Equity attributable to owners of the Company	**2,368,309**	2,247,473
Non-controlling interests	**262,218**	234,783
	2,630,527	2,482,256

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

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.

Except as described below, the accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

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

In the current interim period, the Group has applied, for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

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". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 will result in more extensive disclosures in the Group's annual consolidated financial statement for the year ending 31 December 2013.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

***New and revised standards on consolidation, joint arrangements, associates and disclosures** (continued)*

The directors of the Company reviewed and assessed the application of these five standards in the current interim period and concluded that they have 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. In particular, the directors of the Company have assessed the impact on HKFRS 10 which changes the definition of control over an investee, and concluded that no material effect on the condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, the Group's statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are 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 existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

4. REVENUE

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Printing of cigarette packages	**808,813**	571,821
Provision of printing services	**116,913**	109,246
Manufacturing of laminated papers	**26,196**	11,492
	951,922	692,559

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. 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) printing of cigarette packages, (ii) provision of printing services, 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.

5. **SEGMENT INFORMATION** *(continued)*

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

	Segment revenue		Segment results	
	Six months ended 30 June		Six months ended 30 June	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue and segment results:				
Printing of cigarette packages	**808,813**	571,821	**286,811**	166,575
Provision of printing services	**116,913**	109,246	**8,170**	13,497
Manufacturing of laminated papers	**26,196**	11,492	**6,579**	1,415
	951,922	692,559	**301,560**	181,487
Unallocated – other income and other gains and losses			**10,261**	16,214
Unallocated expenses			**(71,120)**	(62,780)
Finance costs			**(57,633)**	(16,908)
Share of profit of an associate			**93,331**	100,018
Profit before taxation			**276,399**	218,031

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

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

Segment assets

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Printing of cigarette packages	**1,317,612**	1,563,081
Provision of printing services	**187,249**	205,794
Manufacturing of laminated papers	**21,973**	26,915
Total segment assets	**1,526,834**	1,795,790
Unallocated property, plant and equipment	**5,589**	19,971
Prepaid lease payments	**32,393**	32,475
Goodwill	**1,104,112**	1,095,551
Intangible assets	**393,951**	415,339
Interest in an associate	**587,497**	676,104
Deposits for property, plant and equipment	**33,754**	15,681
Other receivables, prepayments and deposits	**115,638**	36,131
Pledged bank deposits	**5,622**	5,300
Bank balances and cash	**785,979**	558,803
Consolidated assets	**4,591,369**	4,651,145

5. SEGMENT INFORMATION *(continued)*

Segment liabilities

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Printing of cigarette packages	**124,044**	353,624
Provision of printing services	**36,356**	28,274
Manufacturing of laminated papers	**5,167**	5,053
Total segment liabilities	**165,567**	386,951
Other payables and accruals	**119,855**	131,339
Amount due to the Controlling Shareholder	**–**	113,802
Amounts due to non-controlling interests of subsidiaries	**360,067**	478,408
Bank borrowings	**1,196,672**	729,836
Obligations under finance leases	**–**	264
Income tax payable	**29,033**	60,972
Promissory note	**–**	162,429
Deferred tax liabilities	**89,648**	104,888
Consolidated liabilities	**1,960,842**	2,168,889

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	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	257
The PRC Enterprise Income Tax ("EIT")	**41,436**	20,098
Withholding tax	**28,198**	18,557
Overprovision of EIT in prior periods	**(25,330)**	(4,348)
Deferred taxation	**(15,961)**	(10,788)
	28,343	23,776

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2013, as the Group's subsidiaries subject to Hong Kong Profits Tax incurred tax losses for the six months ended 30 June 2013.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2012:15% 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 2012 to 2015.

Overprovision for PRC EIT in current interim period is mainly attributable to write back of provision for the PRC EIT of a PRC subsidiary made in prior year in connection with the EIT rate reduced from 25% to 15%, effective from 2012 after approval by the PRC tax bureau for a High-Tech Enterprise in the current period.

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	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**2,039**	2,125
Other staff costs		
Salaries and other benefits	**66,048**	54,314
Contributions to retirement benefits schemes	**3,341**	2,879
	71,428	59,318
Cost of inventories recognised as expenses	**620,728**	486,863
Release of prepaid lease payments	**537**	406
Amortisation of intangible assets (included in cost of sales)	**22,624**	4,020
Depreciation of property, plant and equipment	**44,749**	40,743
Operating lease rentals in respect of rented premises	**6,504**	6,149
Recognition of impairment on trade receivables	**98**	–
Research and development costs recognised as an expense (included in other expenses)	**1,053**	350
Share of taxation of an associate	**16,711**	18,599
and after crediting to other income:		
Interest income	**(2,767)**	(2,279)
Processing fee income	**(2,168)**	–
Sales of scrap materials	**(1,962)**	(1,880)
Government grants *(Note)*	**(1,721)**	–
and after crediting to other gains and losses:		
Loss (gain) on disposal of property, plant and equipment	**990**	(457)
Net foreign exchange gain	**(2,200)**	(10,135)

Note: For the six months ended 30 June 2013, governments 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 HK23.60 cents per share, which included scrip dividend offered to shareholders, was paid in respect of the year ended 31 December 2012 (2012: HK15.97 cents per share in respect of the year ended 31 December 2011). The aggregate amount of the final dividend declared and paid in the interim period is as follows:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividends:		
Cash dividend	**129,653**	117,011
Scrip dividend	**43,217**	–
	172,870	117,011

The directors do not recommend the payment of an interim dividend during the period ended 30 June 2013.

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	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share	**220,736**	191,859

	Number of shares Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)/ (Restated)
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,465,652**	1,465,000

The Company conducted a 2-for-1 stock split and issued scrip dividends effective on 11 June 2013 and 25 June 2013 respectively. The weighted average number of shares for the purpose of basic earnings per share for both periods presented are calculated based on the new number of shares and adjusted retrospectively, assuming that the stock split was conducted at the beginning of the fiscal year ended 31 December 2012.

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, which approximated the respective revenue recognition dates.

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
0 – 90 days	**585,905**	786,853
91 – 180 days	**21,762**	55,854
181 – 365 days	**3,721**	7,587
over 365 days	**925**	2,555
	612,313	852,849

11. TRADE AND BILLS PAYABLES

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

	30 June 2013 (Unaudited) *HK$'000*	31 December 2012 (Audited) *HK$'000*
0 – 30 days	**119,394**	292,115
31 – 90 days	**42,105**	76,607
91 – 180 days	**2,915**	17,666
181 – 365 days	**1,013**	224
over 365 days	**140**	339
	165,567	386,951

BUSINESS REVIEW

Cigarette Packages Printing

We are very pleased with the performance of our cigarette packages printing business during the Period under Review. This performance was in no small part attributable to the outstanding results from our recently acquired subsidiary, Giant Sino Investments Limited and its subsidiaries (collectively referred to as "Giant Sino Group").

We are delighted to report that the profit guarantee has been met by Yangfeng Printing & Packaging Co., Ltd. Our Group's sales force continued to improve our product mix with higher tier product orders and higher average sales prices, as a result of which we achieved an increase in average sales price of approximately 20.9%.

Provision of Printing Services

Restructuring efforts at CT Printing Limited ("CTPL") continue to add to positive results from our non-cigarette printing business. We have made a conscious effort to shift our focus to premium packaging products for the PRC market, as well as reduce resources for our overseas book printing business. We expect that this strategic realignment will continue to be an area of focus for CTPL for the coming 6-12 months.

Manufacturing of Laminated Papers

Our laminated paper business experienced a strong boost in the Period under Review. Sales more than doubled, largely resulting from an adjustment in our customers' production schedule. We expect this to equalize through the remaining portion of the year, though we are hopeful that we will continue to see strong growth from this segment.

Fund Raising Activities

During the Period under Review, the Company completed a HK$500,000,000 syndicated loan with a three-year tenor. This was our second syndicated loan in the past two years and the Group has so far raised a total of HK$1,000,000,000 through the debt markets. The syndication was very successful, reflecting the strength of our business and the confidence shared by our financing partners. The proceeds of the loan went towards refinancing the Group's existing indebtedness.

We will continue to evaluate our capital structure and our funding needs going forward. Our current gearing ratio remains healthy, given the strong cash generation capability of our business.

Prospects

On 7 March 2013, we announced the extension of the business license of Changde Goldroc Rotogravure Printing Co., Ltd. ("CD Goldroc"), a joint venture between the Group and China Tobacco Hunan Investment Management Co., Ltd. ("Hunan Tobacco"). This extension will last for 10 years and it symbolizes the strength of our relationship with our business partners.

Our industry consolidation has continued throughout the Period under Review. Though we did not complete any acquisitions during the Period under Review, we are satisfied with the progress of integration from previous acquisitions. We will continue to look for opportunistic acquisitions in the cigarette packages printing sector in the months and years to come.

REVENUE

During the Period under Review, the revenue of the Group was approximately HK$951.9 million, which represents an increase of approximately HK$259.3 million or 37.5% when compared with the same period in 2012 (six months ended 30 June 2012: HK$692.6 million).

(i) Cigarette Packages Printing Services

Revenue for cigarette packages printing services was approximately HK$808.8 million (six months ended 30 June 2012: HK$571.8 million) which represents an increase of approximately HK$237.0 million, or 41.4%, when compared to the same period in 2012. Such increase was primarily attributable to the revenue contributed by Giant Sino Group, which was acquired in July 2012. In addition, more orders for printing high tier cigarette packages were obtained during the Period under Review, further improving our product mix. Hence, average sales prices grew by approximately 20.9%.

(ii) Provision of Printing services

Given the rising labour costs in the PRC and consolidating printed books markets overseas, the Group accelerated the penetration into the PRC domestic premium packaging market. The premium packaging market offers lucrative opportunities, allowing the Group to maximize the return on labour utilization. Meanwhile, the Group focused on conventional hardpack and paperback books, which require little manual processing. While the turnover in printed books saw a deliberate reduction due to product mix realignment, the increase in revenue from PRC domestic packaging products made up more than the change. The total turnover showed a slight increase of approximately HK$7.7 million to HK$116.9 million (six months ended 30 June 2012: HK$109.2 million) for the Period under Review.

(iii) Manufacturing of Laminated Papers

Revenue from manufacturing of laminated papers during the Period under Review was approximately HK$26.2 million (six months ended 30 June 2012: HK$11.5 million) which represents an increase of approximately HK$14.7 million or 127.8% when compared to the same period in 2012. The boost in sales was mainly a result of managing the customer's expedited production schedule during the Period under Review.

GROSS PROFIT

During the Period under Review, gross profit increased by approximately HK$106.7 million, or 54.3% to approximately HK$303.3 million when compared with the same period in 2012. The increase was largely attributable to the growth in revenue. Gross profit margin during the Period under Review was approximately 31.9% (six months ended 30 June 2012: 28.4%). Improvement in gross profit margin was predominantly accomplished by an improved product mix in cigarette packages printing services.

OTHER INCOME

Other income mainly represents interest income, income from sales of scrap materials, government grants and other miscellaneous income. During the Period under Review, such income increased by approximately HK$3.4 million as compared with the same period in 2012. Such increase was mainly due to the receipt of government grants, which amounted to approximately HK$1.7 million during the Period under Review.

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 Period under Review, such income decreased by approximately HK$9.4 million, which was mainly caused by the decrease in exchange gains.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the Period under Review increased by approximately HK$5.2 million or 27.2% to approximately HK$24.4 million (six months ended 30 June 2012: HK$19.2 million). Such expenses increased in line with the growth in revenue.

ADMINISTRATIVE EXPENSES

Administrative expenses during the Period under Review amounted to approximately HK$44.0 million (six months ended 30 June 2012: HK$47.3 million), which represents a decrease of approximately HK$3.3 million or 7.1% as compared with the same period in 2012. Though the expenses of Giant Sino Group were incorporated during the Period under Review, the effect was offset by management's efforts to control costs which resulted in only an insignificant change in expenses.

OTHER EXPENSES

Other expenses amounted to approximately HK$4.5 million (six months ended 30 June 2012: HK$11.4 million) mainly represent the legal and professional fees paid as well as research and development costs. The decrease was primarily due to no legal and professional fees incurred for acquisition during the Period under Review (six months ended 30 June 2012: HK$6.1 million).

FINANCE COSTS

During the Period under Review, finance costs amounted to HK$57.6 million (six months ended 30 June 2012: HK$16.9 million) were incurred, which mainly represent the bank borrowings interest, interest expense on amounts due to non-controlling interests of subsidiaries, other finance costs paid and effective interest of promissory note. The expenses increased significantly by approximately HK$40.7 million as compared to the same period in 2012 mainly due to the interest paid for the HK$500.0 million syndicated loan and interest payable for the acquisition of Giant Sino Group.

SHARE OF PROFIT OF AN ASSOCIATE

Share of profit of an associate during the Period under Review amounted to approximately HK$93.3 million (six months ended 30 June 2012: HK$100.0 million), which represents a decrease of approximately HK$6.7 million or 6.7%. During the Period under Review, the revenue and profit for the Period under Review of the associated company, CD Goldroc, were approximately HK$988.6 million (six months ended 30 June 2012: HK$1,026.0 million) and HK$266.6 million (six months ended 30 June 2012: HK$285.9 million) respectively.

PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

During the Period under Review, profit attributable to the owners of the Company was approximately HK$220.7 million, representing an increase of HK$28.9 million when compared with the same period in 2012. Such growth was mainly resulting from the consolidation of Giant Sino Group during the Period under Review. In addition, growth in revenue as well as gross profit also contributed to the increase in profit attributable to the owners of the Company, despite the increase in finance costs, decrease in share of profit of an associate and increase in profit attributable to the non-controlling interest.

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$286.8 million (six months ended 30 June 2012: HK$166.6 million), HK$8.2 million (six months ended 30 June 2012: HK$13.5 million) and HK$6.6 million (six months ended 30 June 2012: HK$1.4 million) respectively. Earnings from the cigarette packages printing services accounted for approximately 95.1% of the total segment earnings before unallocated items. The earnings from cigarette packages printing services and manufacturing of laminated papers increased by approximately 72.2% and 364.9% respectively, while the earnings from provision of other printing services decreased by approximately 39.5%.

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 2013, the Group had net current assets of approximately HK$382.6 million (as at 31 December 2012: HK$83.4 million), while the Group's cash and cash equivalents amounted to approximately HK$786.0 million (as at 31 December 2012: HK$558.8 million).

As at 30 June 2013, the interest-bearing bank loans of the Group amounted to approximately HK$616.5 million (as at 31 December 2012: HK$242.9 million) and HK$580.2 million (as at 31 December 2012: HK$486.9 million), which were repayable within and after one year respectively. There were no interest-bearing obligations under finance leases (as at 31 December 2012: HK$0.3 million) and no interest-bearing promissory notes (as at 31 December 2012: HK$162.4 million) outstanding as at 30 June 2013. Carrying amounts of trade and bills receivables, property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK$30.1 million, HK$141.9 million and HK$5.6 million respectively.

As at 30 June 2013, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity, was approximately 45.5% (as at 31 December 2012: 36.0%). The increase in the gearing ratio was mainly attributable to the increase in bank borrowings during the Period under Review. As at 30 June 2013, capital commitment of the Group for purchase of property, plant and equipment amounted to approximately HK$64.8 million (as at 31 December 2012: HK$24.4 million).

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period under Review, the business license of CD Goldroc has been agreed between its two major shareholders (i.e. Hunan Tobacco and the Group) to extend for a further period of 10 years commencing from 28 April 2013 to 27 April 2023. In relation to this transaction, the Group has agreed to dispose of 4% shareholding in CD Goldroc to Hunan Tobacco at a price based on the net asset of CD Goldroc as at 31 December 2012. The extension of the business license of CD Goldroc and the disposal are both subject to approval by the State Tobacco Monopoly Administration.

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

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have significant contingent liabilities (as at 31 December 2012: 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 2013, 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.

SHARE SUBDIVISION

On 21 May 2013, the Board proposed to subdivide each (1) existing issued and unissued share of HK$0.01 in the capital of the Company into two (2) subdivided shares of HK$0.005 each (the "Share Subdivision"). The Share Subdivision was approved by the shareholders of the Company at the extraordinary general meeting held on 10 June 2013 and became effective on 11 June 2013.

HUMAN RESOURCES

As at 30 June 2013, the Group had 25 and 1,993 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.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period under Review (six months ended 30 June 2012: Nil).

CORPORATE GOVERNANCE

The Company had met the code provisions set out in the Corporate Governance Code under 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 3 June 2013 due to business matters.

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.

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 2013

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