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 2013

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK$2,093 million (2012: HK$1,939 million), a growth of 7.9%.
- Profit for the year attributable to the owners of the Company was approximately HK$454 million (2012: HK$433 million), a growth of 4.8%.
- Earnings before interest expense, taxation, depreciation and amortisation amounted to approximately HK$818 million (2012: HK$731 million), a growth of 11.9%.
- Earnings per share (basic) was HK31 cents (2012: HK30 cents).
- Proposed final dividend is HK9.13 cents per share (2012: HK23.60 cents).

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 2013 together with the comparative figures for 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2013

	NOTES	**2013** **HK$'000**	2012 *HK$'000*
Revenue	*4&5*	**2,092,624**	1,939,440
Cost of sales		**(1,437,913)**	(1,358,546)
Gross profit		**654,711**	580,894
Other income	*6*	**26,769**	26,825
Other gains and losses	*7*	**1,353**	5,634
Selling and distribution expenses		**(51,085)**	(48,881)
Administrative expenses		**(155,136)**	(101,388)
Other expenses		**(5,600)**	(41,829)
Finance costs	*8*	**(90,792)**	(57,166)
Share of profit of an associate		**212,342**	197,767
Profit before taxation		**592,562**	561,856
Taxation	*9*	**(90,610)**	(98,772)
Profit for the year	*10*	**501,952**	463,084
Exchange differences arising on translation to presentation currency		**68,223**	17,590
Total comprehensive income for the year		**570,175**	480,674
Profit for the year attributable to:			
Owners of the Company		**454,345**	432,630
Non-controlling interests		**47,607**	30,454
		501,952	463,084
Total comprehensive income attributable to:			
Owners of the Company		**519,493**	450,406
Non-controlling interests		**50,682**	30,268
		570,175	480,674
		HK$	*HK$* (Restated)
Earnings per share	*12*		
Basic		**0.31**	0.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013

	NOTES	2013 HK$'000	2012 HK$'000
Non-current Assets			
Property, plant and equipment		**745,409**	756,623
Prepaid lease payments		**88,629**	31,411
Goodwill		**1,112,181**	1,095,551
Intangible assets		**371,327**	415,339
Interest in an associate		**716,350**	676,104
Deposits for property, plant and equipment		**49,652**	15,681
		3,083,548	2,990,709
Current Assets			
Inventories		**206,840**	206,289
Prepaid lease payments		**2,277**	1,064
Trade and bills receivables	*13*	**856,463**	852,849
Other receivables, prepayments and deposits		**34,140**	36,131
Pledged bank deposits		**8,469**	5,300
Bank balances and cash		**414,830**	558,803
		1,523,019	1,660,436
Current Liabilities			
Trade and bills payables	*14*	**255,578**	386,951
Other payables and accruals		**162,977**	131,339
Amount due to Controlling Shareholder		**–**	113,802
Amounts due to non-controlling interests		**14,735**	478,408
Bank borrowings		**717,380**	242,892
Promissory note		**–**	162,429
Obligation under a finance lease		**–**	264
Income tax payable		**56,005**	60,972
		1,206,675	1,577,057
Net Current Assets		**316,344**	83,379
Total Assets less Current Liabilities		**3,399,892**	3,074,088

	2013	2012
	HK$'000	*HK$'000*
Non-current Liabilities		
Government grants	**18,656**	–
Bank borrowings	**384,222**	486,944
Deferred tax liabilities	**101,677**	104,888
	504,555	591,832
Net Assets	**2,895,337**	2,482,256
Capital and Reserves		
Share capital	**7,442**	7,325
Share premium and reserves	**2,629,871**	2,240,148
Equity attributable to owners of the Company	**2,637,313**	2,247,473
Non-controlling interests	**258,024**	234,783
Total equity	**2,895,337**	2,482,256

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 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")

For the current year, the Group has applied, for the first time, the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are mandatory effective for the current year.

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

In the current year, 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 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 ended 31 December 2013.

The directors of the Company reviewed and assessed the application of these five standards in the current period and concluded that they have had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these 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 consolidated financial statements.

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

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income 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 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. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Application of new and revised HKFRSs

Except as described below, the application of the new and revised 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 in issue 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 HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivative and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC)-Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

The directors of the Company anticipate that the application of new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

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 at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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:

	2013	2012
	HK$'000	*HK$'000*
Printing of cigarette packages	**1,846,086**	1,653,182
Provision of printing services	**209,670**	250,176
Manufacturing of laminated papers	**36,868**	36,082
	2,092,624	1,939,440

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.

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 2013

	Printing of cigarette packages *HK$'000*	**Provision of printing services** *HK$'000*	**Manufacturing of laminated papers** *HK$'000*	**Total** *HK$'000*
Segment revenue	**1,846,086**	**209,670**	**36,868**	**2,092,624**
Segment profit	**620,966**	**18,606**	**9,303**	**648,875**
Unallocated – other income and other gains and losses				**28,122**
Unallocated expenses				**(205,985)**
Finance costs				**(90,792)**
Share of profit of an associate				**212,342**
Profit before taxation				**592,562**

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

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, 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

	2013	2012
	HK$'000	*HK$'000*
Interest on bank deposits	**5,659**	4,091
Sales of scrap materials	**5,126**	5,167
Processing fee income	**2,983**	–
Government grants *(Note)*	**12,149**	11,381
Sundry income	**852**	6,186
	26,769	26,825

Note: Government grants were received from the government of the PRC mainly as incentives granted by local authority for encouragement of its business development except for an amount of HK$160,000 which was granted for the acquisition of leasehold land. 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

	2013	2012
	HK$'000	*HK$'000*
Net foreign exchange gain	**–**	7,424
Gain (loss) on disposal of property, plant and equipment	**1,353**	(1,790)
	1,353	5,634

8. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on:		
Bank loans wholly repayable within five years	**51,909**	31,630
Finance lease	**2**	114
Promissory note	**29,452**	18,242
Interest expense on amounts due to non-controlling interests	**9,429**	7,180
	90,792	57,166

9. TAXATION

	2013	2012
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	11,048
The PRC Enterprise Income Tax ("EIT")	**92,642**	87,299
Withholding tax	**28,248**	22,104
	120,890	120,451
Overprovision of EIT in prior years:	**(25,517)**	(8,344)
Deferred tax:		
Current year	**(4,763)**	(13,335)
	90,610	98,772

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for the year, as the Group's subsidiaries subject to Hong Kong Profits Tax incurred tax losses for the year.

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

Overprovision for PRC EIT in the current year 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 year.

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

	2013	2012
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**28,188**	5,808
Other staff costs		
Salaries and other benefits	**172,567**	144,637
Contributions to retirement benefits schemes	**6,385**	4,868
	207,140	155,313
Auditors' remuneration	**4,709**	5,456
Cost of inventories recognised as expenses	**1,378,838**	1,341,479
Release of prepaid lease payments	**1,567**	815
Amortisation of intangible assets (included in cost of sales)	**45,249**	26,644
Depreciation of property, plant and equipment	**89,802**	84,896
Operating lease rentals in respect of rented premises	**11,880**	6,615
(Reversal) recognition of write-down on obsolete inventories (included in cost of sales) *(Note)*	**(4,570)**	3,363
Recognition of impairment on trade receivables	**1,088**	1,125
Research and development costs recognised as an expense (included in other expenses)	**5,600**	2,793
Legal and professional fee relating to business combination (included in other expenses)	**–**	6,103
Share of taxation of an associate	**41,241**	37,121
Net foreign exchange loss	**1,831**	–

Note: For the year ended 31 December 2013, cost of inventories includes reversal of write-down on obsolete inventories of HK$4,570,000 which were sold during the year.

11. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Cash dividend	**129,653**	117,011
Scrip dividend	**43,217**	–
	172,870	117,011

The final dividend of HK9.13 cents in respect of the year ended 31 December 2013 (2012: HK23.60 cents which included scrip dividend offered) per share, amounting to approximately HK$135,897,000 (2012: HK$172,870,000), has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting.

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:

	2013	2012
	HK$'000	HK$'000
Earnings:		
Earnings for the purpose of basic earnings per share	**454,345**	432,630

	2013	2012
	'000	*'000*
		(Restated)
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	**1,477,186**	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 years 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 diluted earnings per share is presented as the Group did not have any potential ordinary shares during both years.

13. TRADE AND BILLS RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**821,927**	802,094
Less: allowance for doubtful debts	**(152)**	(968)
	821,775	801,126
Bills receivables	**34,688**	51,723
	856,463	852,849

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.

	2013	2012
	HK$'000	*HK$'000*
0 – 90 days	**825,413**	786,853
91 – 180 days	**26,906**	55,854
181 – 365 days	**2,594**	7,587
Over 365 days	**1,550**	2,555
	856,463	852,849

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$31,050,000 (2012: HK$65,996,000) 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

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**248,666**	373,051
Bills payables	**6,912**	13,900
	255,578	386,951

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

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**197,134**	292,115
31 – 90 days	**52,591**	76,607
91 – 180 days	**5,033**	17,666
181 – 365 days	**376**	224
Over 365 days	**444**	339
	255,578	386,951

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 2013, the Company achieved revenue of approximately HK$2,092.6 million with profits attributable to owners amounting to approximately HK$454.3 million and the basic earnings per share of approximately HK31 cents. The Board recommended the payment of a final dividend for the year under review of HK$135.9 million, or HK9.13 cents per share. During the year, the Group achieved Underlying Profit of approximately HK$506.5 million, a growth of 6.4% over 2012.

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.

During the year, under the intensification of mandatory tendering system across cigarette package printing industry in China and with little sign of recovery of overseas printing market, the Company has shifted to focus on improving the profitability of its existing business. The Company has fine tuned its business combination and product mix for higher return on its existing capacity and customer network.

Cigarette Package Printing

The pillar business of the Company, cigarette package printing segment has posted steady growth in terms of top line and bottom line. This shows the Company's ability to withstand the challenge of nationwide consolidation of tobacco industry. During the year, the mounting pressure from China National Tobacco Corporation to filter out unprofitable tobacco brands and specification radiated upstream to their cigarette package printing vendors. In face of irreversible trend of dwindling profit of market of lower tier products, the Company restructured its marketing and production teams gearing towards top tier market and such effort had proved to be fruitful where the sales amount of these products in 2013 has almost doubled, compared with last year. In addition, the ongoing pursuit to boost manufacturing efficiency had complemented the benefit of such market repositioning, and together gave rise to modest increase of profit margin and production volume by about 1% and 5% respectively in 2013, when compared with 2012.

Other Printing Services

Various signs of economic recovery in Europe and America seemed to be of limited relevance to the overseas book printing business in these regions. In 2013, the Company has taken even bolder prudence in accepting new overseas book printing orders, the sales of this segment dropped by about 16% to HK$209.7 million. Meanwhile, the Company has expanded its production of premium rigid packaging boxes targeting mainly the PRC gift market. Taking advantage of existing network of the cigarette package printing customers of other group companies, premium package printing, marked with higher profitability than conventional book printing will gain increasing importance in this segment.

Manufacturing of Laminated Papers

Despite lack of growth of our laminated paper manufacturing segment, profit has slightly increased mainly because of the slight increase in average selling price and cost saving measures.

Fund Raising Activities

In June 2013, the Company has raised another HK$500 million syndicated loan for refinancing existing indebtedness.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year, the revenue of the Group was approximately HK$2,092.6 million (2012: HK$1,939.4 million), which represents an increase of approximately HK$153.2 million or 7.9% as compared with 2012. The revenues of our three business segments, namely cigarette package printing business, provision of printing services and manufacturing of laminated papers were approximately HK$1,846.1 million (2012: HK$1,653.2 million), HK$209.6 million (2012: HK$250.2 million) and HK$36.9 million (2012: HK$36.1 million) respectively.

The increase of revenue in the cigarette package printing business of approximately 11.7% was mainly due to the full-year consolidation of the revenue of Giant Sino Group in the Group's account in 2013 after completion of the acquisition of Giant Sino Group in July 2012. Besides, due to satisfactory development of high tier cigarette package market, the Group maintain slight increases in both the average selling price and the sales volume under the price pressure brought by intensifying tendering system. The sales volumes of cigarette package printing segment increased from approximately 2.1 million cases in 2012 to 2.2 million cases in 2013.

The revenue of provision of other printing services decreased by 16.2% mainly because of the Group‘s continual effort on weeding off overseas customers with low margin and/or of high credit risk. Moreover, the economy in Europe (one of the major markets of this segment) remained sluggish in 2013 and hence prudent approach was adopted when accepting orders and adding new customers.

A slight revenue increase by 2.2% to HK$36.9 million was recorded for the manufacturing of laminated papers during the year.

Gross Profit

During the year, gross profit increased by approximately HK$73.8 million or 12.7% to HK$654.7 million as compared with 2012. The increase was brought by the modest but refined growth of cigarette package printing segment marked with increased share of high tier cigarette package products in the sales mix of this segment. On the other hand, the printing services segment, which is of lower profitability, further decreased its share in the Group's revenue in 2013.

Other Income

Other income mainly represents interest income, income from sales of scrap materials, government grants and other miscellaneous income. No significant variance was noted during the year.

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 year, such income decreased by approximately HK$4.2 million. This was largely attributable to a decrease in net foreign exchange gain.

Selling and Distribution Expenses

The selling and distribution expenses increased approximately HK$2.2 million or 4.5% which is consistent with the increase in revenue.

Administrative Expenses and Other Expenses

During the year, administrative expenses and other expenses amounted to HK$160.7 million, which represents an increase of approximately HK$17.5 million or 12.2% when compared with 2012. Such increase was mainly due to revision of the remuneration package of the Chairman of the Board by increasing his annual salary of HK$12 million and the payment of HK$12 million bonus to him and offset by the decrease of more than HK$6 million of professional fee due to lack of major acquisitions in 2013.

Finance Costs

Finance costs increased by approximately HK$33.6 million during the year, which was mainly attributable to the syndicated loan interest and other finance costs paid amounting to approximately HK$20.2 million – together with the increase in effective interest of promissory note of approximately HK$11.2 million and increase in interest expense on amounts due to non-controlling interests of approximately HK$2.2 million.

Share of Profit of an Associate

Share of profit of an associate increased by approximately HK$14.6 million to HK$212.3 million during the year. Revenue of Changde Goldroc Rotogravure Printing Co., Limited ("CD Goldroc") increased from HK$2,119.7 million in 2012 to HK$2,343.1 million in 2013 and the sales volume increased from 1.6 million cases in 2012 to 1.7 million cases in 2013.

Profit for the Year Attributable to Owners of the Company

Profit attributable to the owners of the Company was HK$454.3 million, an increase of HK$21.7 million as compared with 2012. It was mainly attributable to the consolidation of the full year results of the Giant Sino Group in 2013 (2012: only six months' results of Giant Sino Group were consolidated after completion of the acquisition in July 2012). Moreover, 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$621.0 million (2012: HK$528.4 million), HK$9.3 million (2012: HK$8.0 million) and HK$18.6 million (2012: HK$22.3 million) respectively. Earnings from the printing of cigarette packages accounted for approximately 95.7% of the total segment earnings before unallocated items. The earnings from the printing of cigarette packages and manufacturing of laminated papers were increased by approximately 17.5% and 17.0% respectively, while earnings from provision of other printing services decreased by approximately 16.5%.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities. As at 31 December 2013, the Group had net current assets of HK$316.3 million, while the Group's cash and cash equivalents amounted to HK$414.8 million. As at 31 December 2013, the short-term interest-bearing bank borrowings of the Group amounted to HK$717.4 million. 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 31 December 2013. Carrying amounts of trade receivables, property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK$13.4 million, HK$165.4 million and HK$8.5 million respectively. As at 31 December 2013, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity, was 38.0% (as at 31 December 2012: 36.0%). The increase in the gearing ratio was mainly attributable to the increase in bank borrowings during the year. In the year under review, capital commitments of the Group for purchase of property, plant and equipment amounted to HK$34.4 million (2012: HK$24.4 million).

CONTINGENT LIABILITIES AND GUARANTEES

The Group did not provide any guarantees to third party and had no material contingent liabilities as at 31 December 2013.

MATERIAL ACQUISITION AND DISPOSAL

During the year, the business license of CD Goldroc has been agreed between its two major shareholders (i.e. China Tobacco Hunan Investment Management Co., Ltd. ("Hunan Tobacco") and the Group) to be extended 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. As at 31 December 2013, such approval was still pending.

Save as disclosed above, there was no other material acquisition or disposal made 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 2013, the borrowings were mainly denominated in Hong Kong dollars and Renminbi, 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, United States dollars, Pound Sterling, Euros and Hong Kong dollars, while its costs and expenses are mainly denominated in United States 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 2013, the Group had 21 and 2,230 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.

PROSPECTS

The consolidation of China tobacco industry gives rise to increasing market concentration in terms of number of customers with strong bargaining power, brands with high urge for quality and product specification requiring high level of production technology. On the other hand, the China National Tobacco Corporation is increasing the push to tobacco industry to follow mandatory tendering system in order to make the industry more market oriented. To cope with these challenges, the Company is consolidating its purchasing functions across all its group companies for passing on the price pressure upstream.

The total sales volume of China tobacco increased very modestly in 2013, compared with 2012. Under this circumstances, the Company will continue the investment in developing the high tier market to counter the erosion of profitability due to production cost inflation and to grasp bigger market share.

Other than organic growth, we never rule out the possibility of increasing our market share by acquisition. The Company will continue to evaluate its capital structure and funding needs in order to stay well resourced for any potential acquisition target when opportunities come up in the midst of consolidation of China cigarette package printing industry.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules Governing the Listing of Securities on the Stock Exchange. For the year ended 31 December 2013, the Company has complied in general with the Code, except code provisions A.6.7 and E.1.2 of the Code as Mr. Tsoi Tak (the Chairman of the Board), Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon (the independent non-executive Directors) and Mr. Sean Xing He (the non-executive Director) were unable to attend the annual general meeting of the Company held on 3 June 2013 due to their other business engagement.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee consisted of the three independent non-executive Directors and one non-executive Director and Mr. Lui Tin Nang is the chairman of the Audit Committee. The primary duties of the Audit Committee are, among other matters, to review and monitor the financial reporting process and internal control of the Group, and to report to the Board on matters relating to the corporate governance as stated in the Code. During the year ended 31 December 2013, the Audit Committee held two meetings and has reviewed the Company's financial statements and the Group's combined financial statements for the year ended 31 December 2013, including the accounting principles and practices adopted by the Company and the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2013 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 2013.

ANNUAL GENERAL MEETING

The annual general meeting ("2014 AGM") of the Company will be held in Hong Kong on or about 3 June 2014. Notice of the 2014 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 HK9.13 cents per share for the year ended 31 December 2013 (2012: HK23.60 cents), to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 10 June 2014. Subject to the approval by the shareholders of the Company, the final dividend will be paid on or about 17 June 2014.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2014 AGM, the register of members of the Company will be closed from 30 May 2014 to 3 June 2014 (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 2014 AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 29 May 2014.

For determining the entitlement to receive the proposed final dividend, the register of members of the Company will be closed from 9 June 2014 to 10 June 2014 (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 certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 6 June 2014.

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 2014

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.