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 2014

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 2014 (the "Period under Review") together with the comparative figures for the corresponding period in 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**871,509**	951,922
Cost of sales		**(605,953)**	(648,591)
Gross profit		**265,556**	303,331
Other income		**6,780**	9,051
Other gains and losses		**(1,824)**	1,210
Selling and distribution expenses		**(21,967)**	(24,395)
Administrative expenses		**(61,100)**	(43,961)
Other expenses		**(5,357)**	(4,535)
Finance costs		**(26,791)**	(57,633)
Share of profit of an associate		**86,351**	93,331
Profit before taxation		**241,648**	276,399
Taxation	*6*	**(42,313)**	(28,343)

	Notes	Six months ended 30 June **2014** **(Unaudited)** ***HK$'000***	2013 (Unaudited) *HK$'000*
Profit for the period	*7*	**199,335**	248,056
Other comprehensive (expense) income:			
Item that will not be subsequently reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**(69,656)**	31,225
Total comprehensive income for the period		**129,679**	279,281
Profit for the period attributable to:			
– Owners of the Company		**186,143**	220,736
– Non-controlling interests		**13,192**	27,320
		199,335	248,056
Total comprehensive income attributable to:			
– Owners of the Company		**120,373**	250,489
– Non-controlling interests		**9,306**	28,792
		129,679	279,281
Basic earnings per share	*9*	**HK$0.13**	HK$0.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Notes	**30 June 2014 (Unaudited)** *HK$'000*	31 December 2013 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**706,667**	745,409
Prepaid lease payments		**85,302**	88,629
Goodwill		**1,096,530**	1,112,181
Intangible assets		**347,606**	371,327
Interest in an associate		**587,794**	716,350
Deposits for property, plant and equipment		**72,535**	49,652
		2,896,434	3,083,548
Current assets			
Inventories		**158,792**	206,840
Prepaid lease payments		**2,220**	2,277
Trade and bills receivables	*10*	**851,286**	856,463
Other receivables, prepayments and deposits		**70,214**	34,140
Pledged bank deposits		**4,638**	8,469
Structured deposits		**22,464**	–
Bank balances and cash		**352,486**	414,830
		1,462,100	1,523,019
Current liabilities			
Trade and bills payables	*11*	**236,022**	255,578
Other payables and accruals		**144,161**	162,977
Amounts due to non-controlling interests of subsidiaries		**73,922**	14,735
Bank borrowings		**718,114**	717,380
Income tax payable		**42,288**	56,005
		1,214,507	1,206,675
Net current assets		**247,593**	316,344
Total assets less current liabilities		**3,144,027**	3,399,892

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Non-current liabilities		
Government grants	**30,212**	18,656
Bank borrowings	**196,911**	384,222
Deferred tax liabilities	**87,385**	101,677
	314,508	504,555
Net assets	**2,829,519**	2,895,337
Capital and reserves		
Share capital	**7,442**	7,442
Share premium and reserves	**2,614,347**	2,629,871
Equity attributable to owners of the Company	**2,621,789**	2,637,313
Non-controlling interests	**207,730**	258,024
Total equity	**2,829,519**	2,895,337

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

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 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 condensed 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. 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 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 "Financial Instruments: Recognition and Measurement" permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the other income and other gains and losses line item.

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

The application of the above Interpretation and amendments to 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	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Printing of cigarette packages	**762,218**	808,813
Provision of printing services	**86,045**	116,913
Manufacturing of laminated papers	**23,246**	26,196
	871,509	951,922

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.

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

	Segment revenue Six months ended 30 June		Segment results Six months ended 30 June	
	2014	2013	**2014**	2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue and segment results:				
Printing of cigarette packages	**762,218**	808,813	**266,768**	286,811
Provision of printing services	**86,045**	116,913	**(5,509)**	8,170
Manufacturing of laminated papers	**23,246**	26,196	**4,954**	6,579
	871,509	951,922	**266,213**	301,560
Unallocated – other income and other gains and losses			**4,956**	10,261
Unallocated expenses			**(89,081)**	(71,120)
Finance costs			**(26,791)**	(57,633)
Share of profit of an associate			**86,351**	93,331
Profit before taxation			**241,648**	276,399

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.

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

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

Segment assets

	30 June 2014	31 December 2013
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Printing of cigarette packages	**1,526,985**	1,608,147
Provision of printing services	**151,317**	165,580
Manufacturing of laminated papers	**34,326**	29,909
Total segment assets	**1,712,628**	1,803,636
Unallocated property, plant and equipment	**4,117**	5,076
Prepaid lease payments	**87,522**	90,906
Goodwill	**1,096,530**	1,112,181
Intangible assets	**347,606**	371,327
Interest in an associate	**587,794**	716,350
Deposits for property, plant and equipment	**72,535**	49,652
Other receivables, prepayments and deposits	**70,214**	34,140
Pledged bank deposits	**4,638**	8,469
Structured deposits	**22,464**	–
Bank balances and cash	**352,486**	414,830
Consolidated assets	**4,358,534**	4,606,567

Segment liabilities

	30 June 2014 (Unaudited) *HK$'000*	31 December 2013 (Audited) *HK$'000*
Printing of cigarette packages	**193,206**	217,211
Provision of printing services	**36,689**	35,718
Manufacturing of laminated papers	**6,127**	2,649
Total segment liabilities	**236,022**	255,578
Other payables and accruals	**144,161**	162,977
Amounts due to non-controlling interests of subsidiaries	**73,922**	14,735
Bank borrowings	**915,025**	1,101,602
Income tax payable	**42,288**	56,005
Deferred tax liabilities	**87,385**	101,677
Government grants	**30,212**	18,656
Consolidated liabilities	**1,529,015**	1,711,230

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.

6. TAXATION

	Six months ended 30 June	
	2014 (Unaudited) *HK$'000*	2013 (Unaudited) *HK$'000*
Current tax:		
Hong Kong Profits Tax	**286**	–
The PRC Enterprise Income Tax ("EIT")	**36,216**	41,436
Withholding tax	**22,487**	28,198
Overprovision of EIT in prior periods	**(3,746)**	(25,330)
Deferred taxation	**(12,930)**	(15,961)
	42,313	28,343

Hong Kong Profits Tax is calculated at 16.5% (2013: 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% (2013:15% 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.

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	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**8,137**	2,039
Other staff costs		
Salaries and other benefits	**78,231**	66,048
Contributions to retirement benefits schemes	**6,654**	3,341
	93,022	71,428
Cost of inventories recognised as expenses	**576,872**	620,728
Release of prepaid lease payments	**1,115**	537
Amortisation of intangible assets (included in cost of sales)	**22,624**	22,624
Depreciation of property, plant and equipment	**45,935**	44,749
Operating lease rentals in respect of rented premises	**5,935**	6,504
Recognition of impairment on trade receivables	**2,485**	98
Reversal of write-down on obsolete inventories (included in cost of sales) (Note a)	**(163)**	–
Research and development costs recognised as an expense (included in other expenses)	**1,948**	1,053
Share of taxation of an associate	**15,774**	16,711
and after crediting to other income:		
Interest income	**(2,695)**	(2,767)
Processing fee income	**(844)**	(2,168)
Sales of scrap materials	**(2,353)**	(1,962)
Government grants (Note b)	**(209)**	(1,721)
and after crediting to other gains and losses:		
Loss on disposal of property, plant and equipment	**–**	990
Net foreign exchange gain	**(661)**	(2,200)

Notes:

(a) For the six months ended 30 June 2014, cost of inventories includes reversal of write-down on obsolete inventories of HK$163,000 which were sold during the period.

(b) For the six months ended 30 June 2014, government grants were received from the government of the PRC mainly as subsidy on the acquisition of leasehold land in the PRC.

For the six months ended 30 June 2013, government grants were received from the government of the PRC mainly as incentives granted by local authority for encouragement of its business development. These grants were accounted for as financial support with no future related costs expected to be incurred nor related to any assets.

8. DIVIDENDS

During the current interim period, a final dividend of HK9.13 cents per share in respect of the year ended 31 December 2013 was paid (2013: HK23.6 cents per share, which included scrip dividend). The aggregate amount of the final dividend declared and paid in the interim period is as follows:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividends:		
Cash dividend	**135,897**	129,653
Scrip dividend	**–**	43,217
	135,897	172,870

The directors do not recommend the payment of an interim dividend during the period ended 30 June 2014.

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	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share	**186,143**	220,736

	Number of shares Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,488,469**	1,465,652

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 2014 (Unaudited)	31 December 2013 (Audited)
	HK$'000	*HK$'000*
0 – 90 days	**793,841**	825,413
91 – 180 days	**35,641**	26,906
181 – 365 days	**20,141**	2,594
over 365 days	**1,663**	1,550
	851,286	856,463

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 2014 (Unaudited)	31 December 2013 (Audited)
	HK$'000	*HK$'000*
0 – 30 days	**169,877**	197,134
31 – 90 days	**52,881**	52,591
91 – 180 days	**9,352**	5,033
181 – 365 days	**3,105**	376
over 365 days	**807**	444
	236,022	255,578

BUSINESS REVIEW

Cigarette Packages Printing

It has been a challenging half year for cigarette packaging industry in China. The effect of recent austerity measures in the country slowed the uptrend of high tier market which in turn affected the Group's order in this category. Such problem showed signs of bottoming out in the second quarter and we are optimistic to foresee a compensating rebound in the second half of 2014 as the industry stock piled in early 2014 dwindles. Meanwhile, the Group has strategically expanded its post-press services which, in selected brands, can offer higher profitability and lower working capital commitment than those of all-in process combining pre-press, printing and post-press. Putting aside such subcontracting business, the average selling price of the cigarette package printing products under this segment experienced only a slight drop during the Period under Review even under the strong price pressure brought by the intensifying tendering system and such pressure has been fully mitigated by the Group's ongoing cost-cutting maneuver. The subcontracting business on the other hand had served to smooth out the production load due to short term fluctuation of existing clientele and increase the Group's stretch into new brands and new customers. The guaranteed net profits of our newly acquired cigarette package printing company, Yangfeng Printing & Packaging Co,. Ltd., for the first two years in aggregate up to 30 June 2014 have been met.

Provision of Printing Services

This segment remained at the low ebb during the Period under Review when the overseas book printing market remained sluggish and progress has been slow in the newly experimented People's Republic of China ("PRC") market of premium rigid packaging boxes.

Manufacturing of Laminated Papers

The laminated papers manufacturing remained stable. Slight drop in this segment mainly due to orders postponed in May 2014 is expected to recover in the rest of 2014.

Fund Raising Activities

During the Period under Review, the Company had no significant funding activities.

Prospects

Though the Group's result for Period under Review was comparatively not as good as the previous period due to the short term setback in the early months of 2014, we are confident that the worst time has passed as signs of rebound have already come into sight in the second quarter. Looking forward, while industry consolidation, intensification of tendering system and austerity measures are expected to remain in play posing threats to other competitors in the China cigarette package printing industry, the Group is in an established position to take these as opportunities for growth. In addition to its well developed business in Central and Southern China, the Technology Park under construction at Anhui is expected to join as the Group's stronghold in Eastern China in 2015. As the syndicated loans associated with the acquisitions in previous years has kept running down without refinancing, the Group is in a favorable position in preparation for any opportunities of new acquisition.

REVENUE

During the Period under Review, the revenue of the Group was approximately HK$871.5 million (six months ended 30 June 2013: HK$951.9 million), which represents a decrease of approximately HK$80.4 million or 8.4% as compared to the same period in 2013. The revenues of our three business segments, namely cigarette package printing business, provision of printing services and manufacturing of laminated papers were approximately HK$762.2 million (six months ended 30 June 2013: HK$808.8 million), HK$86.0 million (six months ended 30 June 2013: HK$116.9 million) and HK$23.2 million (six months ended 30 June 2013: HK$26.2 million) respectively.

The revenue from the cigarette package printing segment decreased by approximately 5.8% which was mainly due to short term decrease in high tier customer orders in the first quarter of 2014 brought by their stockpiling around the end of 2013. Such problem has bottomed out in the second quarter and the Group's management expected a strong recovery for the rest of 2014. On the other hand, the Group has boosted its provision of subcontracted post-press services during the Period under Review which had driven the average selling price down given the same product quantity involved.

The revenue of provision of printing services decreased by 26.4% to HK$86.0 million as the Group has taken continual prudence in the overseas book printing market which showed no sign of recovery during the Period under Review.

In the laminated papers manufacturing segment, the machinery revamp by major customer had postponed product delivery for several weeks and led to drop in revenue by 11.3% to HK$23.2 million during the Period under Review.

GROSS PROFIT

During the Period under Review, the gross profit decreased by approximately HK$37.8 million, or 12.5% to HK$265.6 million as compared to the same period in 2013. It was mainly attributable to short term decrease in high tier products mentioned above.

OTHER INCOME

Other income mainly represents interest income, income from sales of scrap materials, government grants and other miscellaneous income. Such income decreased by HK$2.3 million or 25.1% mainly attributable to the decrease in government grant and processing fee income by HK$1.5 million and HK$1.3 million respectively during the Period under Review.

OTHER GAINS OR LOSSES

Other gains and losses mainly represented net foreign exchange gains, gain on disposal of property, plant and equipment and recognition of impairment loss of trade receivables. The loss of HK$1.8 million (six month ended 30 June 2013: a gain of HK$1.2 million) was mainly due to the impairment loss of HK$2.5 million in trade receivable recognised during the Period under Review.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses dropped approximately HK$2.4 million or 10% which was consistent with the decrease in revenue.

ADMINISTRATIVE EXPENSES AND OTHER EXPENSES

During the Period under Review, administrative expenses and other expenses amounted to HK$66.5 million, representing an increase of approximately HK$18.0 million or 37.0% when compared to same period in 2013. Such increase was mainly attributable to the increase in director remuneration, staff welfare and entertainment expenses, by approximately HK$6.0 million, HK$4.7 million, HK$4.2 million respectively.

FINANCE COSTS

Finance costs decreased by approximately HK$30.8 million as promissory note and amount due to non-controlling interests have been fully settled in 2013 and no more interests (six months ended 2013: HK$29.5 million and HK$7.1 million respectively) were incurred during the Period under Review. Such decrease were partially offset by the increase of the interest payment and the services fee amortization related to syndicated loan raised in the second half of 2013 by approximately HK$5.8 million.

SHARE OF PROFIT OF AN ASSOCIATE

Share of profit of an associate decreased by approximately HK$7.0 million to HK$86.4 million during the Period under Review. Revenue and net profit of Changde Goldroc Rotogravure Printing Co., Limited were approximately HK$1,044.6 million (six months ended 30 June 2013: HK$988.6 million) and HK$281.5 million (six months ended 30 June 2013: HK$266.6 million) respectively.

TAXATION

The effective tax rate of the Group rose from 10.3% to 17.5% during the Period under Review. It was mainly due to the absence of the one-off tax refund associated with the successful application of preferential profit tax rate granted to one of the Company's subsidiaries in 2013.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to the owners of the Company was HK$186.1 million, a decrease of HK$34.6 million as compared with the same period in 2013 mainly due to the drop in turnover and gross profit.

SEGMENT INFORMATION

During the Period under Review, the revenue from the printing of cigarette packages, manufacturing of laminated papers and provision of other printing services were approximately HK$762.2 million (six months ended 30 June 2013: HK$808.8 million), HK$23.2 million (six months ended 30 June 2013: HK$26.2 million) and HK$86.0 million (six months ended 30 June 2013: HK$116.9 million) respectively. Earnings from the printing of cigarette packages accounted for approximately 100.0% of the total segment earnings before unallocated items. The earnings from cigarette packages printing services, provision of other printing services and manufacturing of laminated papers decreased by approximately 7.0%,167.4% and 24.7% respectively.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities. As at 30 June 2014, the Group had net current assets of HK$247.6 million (as at 31 December 2013: HK$316.3 million) while the Group's cash and cash equivalents amounted to HK$352.5 million (as at 31 December 2013: HK$414.8 million).

As at 30 June 2014, interest-bearing bank borrowings of the Group repayable within and after one year amounted to HK$718.1 million (as at 31 December 2013: HK$717.4 million) and HK$196.9 million (as at 31 December 2013: HK$384.2 million) respectively. Carrying amounts of property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK$214.4 million and HK$4.6 million respectively.

As at 30 June 2014, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity was 32.3% (as at 31 December 2013: 38.0%). The decrease in the gearing ratio was mainly attributable to the repayment of the syndicated loan during the Period under Review. As at 30 June 2014, capital commitments of the Group for purchase of property, plant and equipment amounted to HK$85.5 million (as at 31 December 2013: HK$34.4 million).

CONTINGENT LIABILITIES AND GUARANTEES

The Group did not provide any guarantees to third party and had no material contingent liabilities as at 30 June 2014.

MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition or disposal of subsidiaries and associated companies by the Group during the Period under Review.

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 2014, 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 30 June 2014, the Group had 15 and 1,864 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 2013: Nil).

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the 'Code') contained in Appendix 14 of the Listing Rules. For the Period under Review, 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. Cai Xiao Ming (the Chief Executive Officer), Mr. Qin Song (the Chief Operating Officer), Mr. Lam Ying Hung, Andy 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 2014 due to their other business engagement.

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 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. In addition, the interim financial information of the Group for the Period under Review have also been reviewed by the independent auditor of the Company, Deloitte Touche Tohmatsu. The audit committee 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, 25 August 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. 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.