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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 2014

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK$1,703 million (2013: HK$1,883 million), a drop of 9.5%.
- Underlying profit (i.e. 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) amounted to approximately HK$508 (2013: HK$507) million, a growth of 0.2%.
- Profit for the year attributable to the owners of the Company was approximately HK$454 million (2013: HK$454 million).
- Earnings per share (basic) from continuing and discontinuing operations was HK30 cents (2013: HK31 cents).
- No final dividend proposed for 2014 (2013: HK9.13 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 2014 together with the comparative figures for 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	NOTES	2014 HK$'000	2013 HK$'000 (Restated)
Continuing operations			
Revenue	4&5	**1,703,423**	1,882,954
Cost of sales		**(1,150,483)**	(1,258,030)
Gross profit		**552,940**	624,924
Other income	6	**19,504**	24,199
Other gains and losses	7	**642**	(1,063)
Selling and distribution expenses		**(36,820)**	(39,904)
Administrative expenses		**(114,490)**	(136,228)
Other expenses		**(4,955)**	(5,600)
Finance costs	8	**(46,083)**	(90,390)
Share of profit of an associate		**214,906**	212,342
Profit before taxation		**585,644**	588,280
Taxation	9	**(104,023)**	(89,084)
Profit for the year from continuing operations	11	**481,621**	499,196
Discontinued operations			
Profit for the year from discontinued operations	10	**1,411**	2,756
Profit for the year		**483,032**	501,952
Other comprehensive (expense) income:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**(71,351)**	68,223
Total comprehensive income for the year		**411,681**	570,175

	NOTE	2014 HK$'000	2013 HK$'000 (Restated)
Profit for the year attributable to:			
Owners of the Company		453,711	454,345
Non-controlling interests		29,321	47,607
		483,032	501,952
Total comprehensive income attributable to:			
Owners of the Company		386,229	519,493
Non-controlling interests		25,452	50,682
		411,681	570,175
		HK$	*HK$* (Restated)
Earnings per share	*13*		
From continuing and discontinued operations			
Basic		0.30	0.31
From continuing operations			
Basic		0.30	0.31

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	NOTES	**2014** **HK$'000**	2013 HK$'000
Non-current Assets			
Property, plant and equipment		**688,597**	745,409
Prepaid lease payments		**84,184**	88,629
Investment properties		**65,648**	–
Goodwill		**1,096,481**	1,112,181
Intangible assets		**324,977**	371,327
Interest in an associate		**715,766**	716,350
Deposits for property, plant and equipment		**6,149**	49,652
		2,981,802	3,083,548
Current Assets			
Inventories		**119,832**	206,840
Prepaid lease payments		**2,220**	2,277
Trade and bills receivables	*14*	**740,662**	856,463
Other receivables, prepayments and deposits		**33,860**	34,140
Pledged bank deposits		**85,750**	8,469
Bank balances and cash		**378,985**	414,830
		1,361,309	1,523,019
Assets classified as held for sale		**140,050**	–
		1,501,359	1,523,019
Current Liabilities			
Trade and bills payables	*15*	**191,339**	255,578
Other payables and accruals		**208,169**	162,977
Amounts due to non-controlling interests		**24,741**	14,735
Bank borrowings		**740,662**	717,380
Income tax payable		**62,057**	56,005
		1,226,968	1,206,675
Liabilities directly associated with assets classified as held for sale		**4,694**	–
		1,231,662	1,206,675
Net Current Assets		**269,697**	316,344

	2014	2013
	HK$'000	*HK$'000*
Total Assets less Current Liabilities	**3,251,499**	3,399,892
Non-current Liabilities		
Government grants	**36,314**	18,656
Bank borrowings	**95,400**	384,222
Deferred tax liabilities	**92,266**	101,677
	223,980	504,555
Net assets	**3,027,519**	2,895,337
Capital and Reserves		
Share capital	**7,442**	7,442
Share premium and reserves	**2,961,426**	2,629,871
Equity attributable to owners of the Company	**2,968,868**	2,637,313
Non-controlling interests	**58,651**	258,024
Total Equity	**3,027,519**	2,895,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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. Cai Xiao Ming, David. 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 Room 3104–5, 31/F, Universal Trade Centre, 3–5 Arbuthnot Road, Central, 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.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

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:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 July 2014
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE

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

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Printing of cigarette packages	**1,659,115**	1,846,086
Manufacturing of laminated papers	**44,308**	36,868
	1,703,423	1,882,954

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 and (ii) manufacturing of laminated papers. The CODM considered the Group has two 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 provision of printing services was discontinued in the current year. The segment information reported below does not include any amounts for this discontinued operation, which is described in more detail in note 10.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

For the year ended 31 December 2014

	Printing of cigarette packages *HK$'000*	**Manufacturing of laminated papers** *HK$'000*	**Total** *HK$'000*
Segment revenue for continuing operations	**1,659,115**	**44,308**	**1,703,423**
Segment profit for continuing operations	**552,655**	**8,714**	**561,369**
Unallocated – other income and other gains and losses			**20,146**
Unallocated expenses			**(164,694)**
Finance costs			**(46,083)**
Share of profit of an associate			**214,906**
Profit before taxation (continuing operations)			**585,644**

For the year ended 31 December 2013

	Printing of cigarette packages *HK$'000*	Manufacturing of laminated papers *HK$'000*	Total *HK$'000* (Restated)
Segment revenue for continuing operations	1,846,086	36,868	1,882,954
Segment profit for continuing operations	620,966	9,303	630,269
Unallocated – other income and other gains and losses			23,136
Unallocated expenses			(187,077)
Finance costs			(90,390)
Share of profit of an associate			212,342
Profit before taxation (continuing operations)			588,280

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

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on bank deposits	**6,756**	4,828
Sales of scrap materials	**3,857**	3,718
Processing fee income	**1,939**	2,983
Rental income	**1,806**	–
Government grants *(Note)*	**4,009**	12,149
Sundry income	**1,137**	521
	19,504	24,199

Note: Government grants were received from the government of the People's Republic of China ("PRC") mainly as incentives granted by local authority for encouragement of its business development except for an amount of HK$377,000 (2013: HK$160,000) which was granted for the acquisition of property, plant and equipment. 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

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Net foreign exchange gain	**616**	–
Gain (loss) on disposal of property, plant and equipment	**26**	(1,063)
	642	(1,063)

8. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on:		
Bank loans wholly repayable within five years	**46,083**	51,509
Promissory note	**–**	29,452
Interest expense on amounts due to non-controlling interests	**–**	9,429
	46,083	90,390

9. TAXATION

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Current tax:		
The PRC Enterprise Income Tax ("EIT")	**87,538**	91,584
Withholding tax	**28,065**	28,248
	115,603	119,832
Overprovision of EIT in prior years:	**(4,044)**	(25,517)
Deferred tax:		
Current year	**(7,536)**	(5,231)
	104,023	89,084

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2013: 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.

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.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Profit before taxation (from continuing operations)	**585,644**	588,280
Tax at the applicable rate of 25% (2013: 25%) *(Note)*	**146,411**	147,070
Tax effect of share of profit of an associate	**(53,727)**	(53,085)
Tax effect of expenses not deductible for tax purpose	**29,493**	47,483
Tax effect of income not taxable for tax purpose	**(2,122)**	(422)
Overprovision in respect of prior years	**(4,044)**	(25,517)
Tax effect of deductible temporary differences not recognised	**994**	(88)
Income tax on concessionary rate	**(48,471)**	(58,739)
Deferred tax on undistributed earnings of PRC subsidiaries/associate	**35,489**	32,382
Tax charge for the year (relating to continuing operations)	**104,023**	89,084

Note: The applicable tax rate of 25% represents the applicable income tax rate of the subsidiaries in Shenzhen in the PRC which constitute the substantial part of the Group's operation for the years ended 31 December 2014 and 2013.

10. DISCONTINUED OPERATIONS

Plan to dispose of the provision of printing of books business

On 22 December 2014, the directors announced to dispose of the Group's provision of printing of books business. The disposal is consistent with the Group's long-term policy to focus its activities on the printing of cigarette packages business for PRC cigarette manufacturers. The Group has entered into a disposal agreement with an independent third party and has completed the disposal transaction on 12 January 2015. The net proceeds of sale are expected to exceed the carrying amount of the related net assets and, accordingly, no impairment loss was recognised, neither when the operation was reclassified as held for sale nor at the end of the reporting period.

Analysis of profit for the year from discontinued operations

The results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include that operation classified as discontinued in the current year.

Profit for the year from discontinued operations

	2014 *HK$'000*	2013 *HK$'000*
Revenue	**159,069**	209,670
Cost of sales	**(144,251)**	(179,883)
Other income	**2,195**	2,570
Other gains and losses	**320**	2,416
Selling and distribution expenses	**(7,807)**	(11,181)
Administrative expenses	**(8,530)**	(18,908)
Finance costs	**(336)**	(402)
Profit before taxation	**660**	4,282
Attributable income tax income (expense)	**751**	(1,526)
Profit for the year from discontinued operations (attributable to owners of the Company)	**1,411**	2,756

Profit for the year from discontinued operations include the following:

Staff costs:		
Directors' emoluments	**60**	1,682
Other staff costs		
Salaries and other benefits	**25,342**	41,626
Contributions to retirement benefits schemes	**1,673**	1,408
	27,075	44,716
Auditor's remuneration	**59**	87
Cost of inventories recognised as expenses	**142,795**	179,883
Depreciation of property, plant and equipment	**12,037**	13,676
Reversal of write-down on obsolete inventories (included in cost of sales)	**–**	(554)
(Reversal) recognition of impairment on trade receivables	**(19)**	1,088
Interest on bank deposits	**(728)**	(831)
Cash flows from discontinued operations		
Net cash inflow (outflow) from operating activities	**35,031**	(19,711)
Net cash inflows from investing activities	**1,429**	6,041
Net cash outflows from financing activities	**(85,088)**	(264)
Net cash outflows	**(48,628)**	(13,934)

The provision of printing of books business has been classified and accounted for as a disposal group held for sale at 31 December 2014.

11. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Profit for the year from continuing operations has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**8,913**	26,506
Other staff costs		
Salaries and other benefits	**122,527**	130,941
Contributions to retirement benefits schemes	**10,711**	4,977
	142,151	162,424
Auditors' remuneration	**4,576**	4,622
Cost of inventories recognised as expenses	**1,088,904**	1,198,955
Depreciation of property, plant and equipment	**80,114**	76,126
Release of prepaid lease payments	**2,234**	1,567
Depreciation of investment properties	**3,287**	–
Amortisation of intangible assets (included in cost of sales)	**45,249**	45,249
Operating lease rentals in respect of rented premises	**4,058**	6,653
Recognition (reversal) of write-down on obsolete inventories (included in cost of sales) *(Note)*	**405**	(4,016)
Recognition of impairment on trade receivables	**2,485**	–
Research and development costs recognised as an expense (included in other expenses)	**3,721**	5,600
Legal and professional fee relating to business combination (included in other expenses)	**1,234**	–
Share of taxation of an associate	**38,845**	41,241
Gross rental income form investment properties	**(1,937)**	–
Less: Direct operating expenses incurred for investment property that generated rental income during the year	**131**	–
	(1,806)	–

Note: For the year ended 31 December 2013, cost of inventories includes reversal of write-down on obsolete inventories of HK$4,016,000 which were sold during the year ended 31 December 2013.

12. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Cash dividend	**135,897**	129,653
Scrip dividend	**–**	43,217
	135,897	172,870

The directors do not recommend the payment of a final dividend for the year ended 31 December 2014.

13. EARNINGS PER SHARE

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share	**453,711**	454,345

	2014	2013
	'000	*'000*
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	**1,488,469**	1,477,186

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 2013 presented was calculated based on the new number of shares.

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

From continuing operations

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

Earnings figures are calculated as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company	**453,711**	454,345
Less: Profit for the year from discontinued operations	**1,411**	2,756
Earnings for the purpose of basic earnings per share from continuing operations	**452,300**	451,589

The denominator used is the same as that detailed above for basic earnings per share.

From discontinued operations

Basic earnings per share for the discontinued operations is HK0.09 cent per share (2013: HK0.19 cent per share), based on the profit for the year from the discontinued operations of HK$1,411,000 (2013: HK$2,756,000) and the denominator detailed above for basic earnings per share.

14. TRADE AND BILLS RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**714,570**	821,927
Less: allowance for doubtful debts	**(2,485)**	(152)
	712,085	821,775
Bills receivables	**28,577**	34,688
	740,662	856,463

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.

	2014	2013
	HK$'000	*HK$'000*
0–90 days	**675,107**	825,413
91–180 days	**42,807**	26,906
181–365 days	**21,969**	2,594
Over 365 days	**779**	1,550
	740,662	856,463

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

Included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of HK$65,555,000 (2013: HK$31,050,000) 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.

15. TRADE AND BILLS PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**190,091**	248,666
Bills payables	**1,248**	6,912
	191,339	255,578

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

	2014	2013
	HK$'000	*HK$'000*
0–30 days	**134,537**	197,134
31–90 days	**51,310**	52,591
91–180 days	**4,997**	5,033
181–365 days	**43**	376
Over 365 days	**452**	444
	191,339	255,578

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 2014, the Company achieved revenue of approximately HK$1,703.4 million with profits attributable to owners amounting to approximately HK$453.7 million from its continuing operations, and basic earnings per share from continuing and discontinued operations of approximately HK30 cents. The Board does not recommend any final dividend for the year under review. During the year, the Group achieved Underlying Profit of approximately HK$507.9 million, a growth of 0.3% over 2013.

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.

In 2014, China's gross domestic products growth rate recorded a slowing trend while global economy was still struggling to get on track. Price pressure brought by mandatory tendering system continued to pose challenges to cigarette package printing business in China.

Cigarette Package Printing

The cigarette package printing segment, the core business of the Group, showed a slight increase in sales volume while revenue exhibited a decline in 2014. The Chinese government is upgrading the products mix of tobacco industry by encouraging the growth of top tier products at the expense of mid-to-low tier products. Such process was particularly hastened in the second half of 2014. The mid-to-low tier business which remained significant to Group's sales revenue, was dampened during the year. In response, the Group has speeded up upgrading its factories towards high tier products. The year 2014 was marked by the Group's extensive infrastructure improvement which might have inevitably affected production during relocation of various production facilities within our 3 technology parks and relocation of one of our factories in remote areas. Such exercise will prove to yield long term benefit in rationalizing our factory layout and production to keep pace with new expansion and promoting economies of scale in future. In addition, the Group has almost doubled its subcontracting business during 2015 which is of higher profit margin for the mid-to-low tier brands despite the lower average price. The gross profit of this segment had been maintained stable despite the price pressure brought by mandatory tendering system. Stern cost cutting and process improvement measures including unifying purchasing function of various factories, merging of outlying production facilities into bigger plants, automation to counter rising wages had contributed to further drive the production costs down.

With its abundant financial resources and confidence on cigarette package printing business, the Group turned the challenge into an opportunity to acquire exiting non-controlling interest in a subsidiary at favorable terms. Such acquisition enables the Group to take full control in operating and managing such subsidiary and further strengthen the strategic relationship with the customers of such subsidiary.

Provision of Printing Services

In view of the low profit contribution with limited strategic value, the printing services segment was disposed on 12 January 2015. Such disposal has no significant impact on the financial position to the Group. The results of this segment are disclosed as discontinued operations in note 10 of this result announcement.

Manufacturing of Laminated Papers

The segment profit of laminated paper manufacturing has dropped by 6.3% mainly because of lower profit margin from new orders.

Fund Raising Activities

The Company had no significant funding activities during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year, the revenue of the Group from its continuing operations was approximately HK$1,703.4 million (2013: HK$1,883.0 million), which represents a decrease of approximately HK$179.6 million or 9.5% as compared with 2013. The revenues of our two continuing business segments, namely cigarette package printing business and manufacturing of laminated papers decreased by 10.1% to HK$1,659.1 million and increased by 20.1% to HK$44.3 million respectively.

The China tobacco authorities continued the optimization of its products mix by increasing the volume of top tier products at the expense of mid-to low tier products. Mid tier products, being the Group's major product category were adversely affected. In addition, the authorities stepped up its effort on cost control via the mandatory tendering system. Such adversity is somehow compensated by the growth of the Group's subcontracting business of provision of post-press services which lowered the average selling price but with higher profit margin. The sales volumes of cigarette package printing segment increased from approximately 2.2 million cases in 2013 to 2.3 million cases in 2014.

Gross Profit

During the year, gross profit of the Group from its continuing operations decreased by approximately HK$72.0 million or 11.5% to HK$552.9 million as compared with 2013. The gross profit margin has slightly decreased from 33.2% in 2013 to 32.5% in 2014. It was mainly due to inevitable price pressure under intensifying tendering system. In light of the challenging market conditions, the Group has merged two of its production facilities to streamline production and improve productivity. Equipment modifications were made to save labour offsetting the mandatory raise in wages in the PRC. The purchasing of all raw materials was integrated into a single platform to achieve better cost effectiveness and to keep costs of material under tighter control. Through all these measures, the Group was able to mitigate the effect of price pressure on our gross margin.

Other Income

Other income decreased by HK$4.7 million as compared with 2013. It was mainly due to decrease in government grant by HK$8.1 million and offset by the increase in interest income by HK$1.9 million.

Other Gains and Losses

Other gains and losses represent net foreign exchange gains and gain on disposal of property, plant and equipment. The loss in 2013 was largely attributable to the loss on disposal of property, plant and equipment.

Selling and Distribution Expenses

The selling and distribution expenses decreased approximately by HK$3.1 million or 7.7%. Such decrease is in line with the decrease in revenue.

Administrative Expenses and Other Expenses

During the year, administrative expenses and other expenses amounted to HK$119.4 million, which represent a decrease of approximately HK$22.4 million or 15.8% when compared with 2013. It was mainly due to decrease in directors' and chief executive's emoluments by HK$18.0 million, decrease in entertainment expenses by approximately HK$19.2 million brought by the Group's austerity program. These effects were partially offset by increase in provision for bad debts by HK$2.4 million, increase in marketing expenses by HK$7.4 million and miscellaneous expenses by HK$5.0 million.

Finance Costs

Finance costs decreased by approximately HK$44.3 million. It was because the promissory note and interest bearing amount due to non-controlling interests of subsidiaries have been fully settled in 2013 and no interests (2013: HK$29.5 million and HK$9.4 million respectively) were therefore incurred during the year. In addition, the interests paid for the syndicated loans were decreased by approximately HK$7.0 million.

Share of Profit of an Associate

Share of profit of an associate increased by approximately HK$2.6 million to HK$214.9 million during the year. Revenue of Changde Goldroc Rotogravure Printing Co., Limited increased from HK$2,343.1 million in 2013 to HK$2,494.4 million in 2014 and the sales volume increased from 1.7 million cases in 2013 to 1.9 million cases in 2014.

Taxation

Taxation increased by HK$14.9 million mainly because of one off effect brought by successful application of preferential tax treatment by one subsidiary in 2013 where tax overpaid for pre-2013 years had been refunded in 2013.

Profit from discontinued operations

Profit from discontinued operation decreased by 48.8% from HK$2.8 million in 2013 to HK$1.4 million in 2014. It is mainly attributable to further drop in sales revenue by 24.1% from HK$209.7 million in 2013 to HK$159.0 million in 2014 and drop in gross profit margin from 14.2% in 2013 to 9.3% in 2014 due to deterioration of overseas printing market.

Profit for the Year Attributable to Owners of the Company

Profit attributable to the owners of the Company was HK$453.7 million, a decrease of HK$0.6 million as compared with 2013, which is mainly attributable to the decrease in turnover and gross profit.

Segment Information

On 22 December 2014, the Company announced to dispose the Group's provision of printing of book business, and such business was regarded as discontinuing operations in the year under view.

During the year, the earnings from the printing of cigarette packages and manufacturing of laminated papers were approximately HK$552.7 million (2013: HK$621.0 million) and HK$8.7 million (2013: HK$9.3 million) respectively. Earnings from the printing of cigarette packages accounted for approximately 98.5% of the total segment earnings before unallocated items. The earnings from the printing of cigarette packages, manufacturing of laminated papers were decreased by approximately 11.0% and 6.3% respectively.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities. As at 31 December 2014, the Group had net current assets of HK$269.7 million (2013: HK$316.3 million), while the Group's cash and cash equivalents amounted to HK$464.7 million (2013: HK$423.3 million). As at 31 December 2014, the short-term interest-bearing bank borrowings of the Group amounted to HK$740.7 million (2013: HK$717.4 million). Carrying amounts of trade receivables, property, plant and equipment, prepaid lease payments and bank deposits pledged for securing these credit facilities amounted to approximately HK$409.5 million (2013: HK$13.4 million), HK$38.6 million (2013: HK$165.4 million), HK$5.2 million (2013: Nil) and HK$85.8 million (2013: HK$8.5 million) respectively. As at 31 December 2014, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity was 27.6% (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 year. In the year under review, capital commitments of the Group for purchase of property, plant and equipment amounted to HK$10.0 million (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 31 December 2014.

MATERIAL ACQUISITION AND DISPOSAL

On 13 November 2014, the Company entered into agreement with Prime Prestige Limited for the acquisition of the entire issued share capital of Emperor Great Investments Limited at a cash consideration of HK$82.4 million. Through such acquisition, the Company would acquire the remaining 40% equity interest in YangFeng Printing & Packaging Co., Ltd. Such acquisition was completed in December 2014. Details of such acquisition were set out in the announcement and the circular of the Company dated 13 November 2014 and 12 December 2014 respectively.

On 22 December 2014, CT Management Investments Limited, a direct wholly-owned subsidiary of the Company entered into agreement with Sino Year Limited for the disposal of the entire issued share capital of CT Printing Limited at a cash consideration of HK$109,000,000. Such disposal was completed in January 2015. Details of such disposal were set out in the announcement of the Company dated 22 December 2014.

Save as disclosed above, there was no other material acquisition or disposal made by the Group during the year.

CAPITAL STRUCTURE

As at 31 December 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 31 December 2014, the Group had 14 (2013: 21) and 1,616 (2013: 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

At the opening of National People's Congress held on 5 March 2015, Chinese Premier Li Keqiang unveiled the country's economic growth forecast to be about 7% for 2015. Dubbing a "new normal" of slower growth, the Chinese authorities signaled that they would not take dramatic action to raise growth rate above last year's level, which at 7.4% was its lowest level in nearly a quarter-century.

The tobacco industry consolidation, intensifying tendering system and market restructure emphasising quality over quantity are expected to remain in play in 2015. In order to strengthen our market position as one of the leading cigarette packages printing companies in the PRC in view of the challenging business environment ahead, we have successfully acquired remaining equity stakes in YangFeng Printing & Packaging Co., Ltd. as a step to further foster our strategic relationship with its major customers, to generate cost saving synergies through sharing of resources and to utilise the research and development capacity more efficiently. The recent disposal of our provision of printing business has shown our commitment to focus and deploy more time and resources to concentrate our core cigarette packages business. The Group, with its infrastructure improvement projects due to be completed in 2015, will be well poised to profit from the promising top-tier markets. The business of exotic cigarette package printing such as those for slim cigarette and cigar was successfully launched in 2014 and is expected to become the Group's sales growth driver in future. Equipped with advanced post-press equipment and expertise, the Group will further boost its profitable subcontracting business by providing customers design services.

The Board will continue to look for business opportunities for further mergers and acquisitions, and/or forming alliance and cooperation with strategic partner(s). The Board will make an announcement as and when appropriate in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

FINAL DIVIDEND

The Board does not recommended the payment of a final dividend for the year ended 31 December 2014 (2013: HK9.13 cents).

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules. For the year ended 31 December 2014, 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 Ex-Chairman of the Board), Mr. Cai Xiao Ming (the Chairman of the Board), Mr. Qin Song (the Chief Executive 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.

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 2014, 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 2014, 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 2014 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 2014.

ANNUAL GENERAL MEETING

The annual general meeting ("2015 AGM") of the Company will be held in Hong Kong on or about 5 June 2015. Notice of the 2015 AGM will be issued and disseminated to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2015 AGM, the register of members of the Company will be closed from 4 June 2015 to 5 June 2015 (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 2015 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 3 June 2015.

ACKNOWLEDGEMENT

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

By Order of the Board of
Brilliant Circle Holdings International Limited
Cai Xiao Ming, David
Chairman

Hong Kong, 18 March 2015

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cai Xiao Ming, David (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.