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 2015

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK$1,495 million (2014: HK$1,703 million), a drop of 12.2% which was caused by the drop in sales volume under the tough economic environment. Nevertheless, the average selling price recorded a mild increase.

- Underlying profit (i.e. profit for the year attributable to the owners of the Company excluding the professional fees and other one-off expenses related to business combination, amortization and depreciation charges arising from business valuation) amounted to approximately HK$452 million (2014: HK$508 million), a decrease of approximately 11.0%.

- Profit for the year attributable to the owners of the Company was approximately HK$386 million (2014: HK$454 million). If excluding the share of an one off impairment loss in relation to the Group's associate of approximately HK$27.1 million, the profit for the year attributable to the owners of the Company was approximately HK$414 million, a decrease of approximately 8.9% which was mainly due to a challenging economic environment.

- Earnings per share (basic) from continuing and discontinuing operations was HK25 cents (2014: HK30 cents).

- No final dividend proposed for 2015 (2014: Nil).

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 2015 together with the comparative figures for 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2015

	NOTES	**2015** *HK$'000*	2014 *HK$'000*
Continuing operations			
Revenue	*4&5*	**1,494,961**	1,703,423
Cost of sales		**(1,032,918)**	(1,150,483)
Gross profit		**462,043**	552,940
Other income	*6*	**28,627**	19,504
Other gains and losses	*7*	**2,473**	642
Selling and distribution expenses		**(45,953)**	(36,820)
Administrative expenses		**(101,947)**	(114,490)
Other expenses		**(10,021)**	(4,955)
Finance costs	*8*	**(37,371)**	(46,083)
Share of profit of an associate		**178,625**	214,906
Profit before taxation		**476,476**	585,644
Taxation	*9*	**(79,796)**	(104,023)
Profit for the year from continuing operations	*11*	**396,680**	481,621
Discontinued operations			
(Loss) profit for the year from discontinued operations	*10*	**(6,078)**	1,411
Profit for the year		**390,602**	483,032
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation to presentation currency		**(156,901)**	(71,351)
Total comprehensive income for the year		**233,701**	411,681

	NOTE	**2015**	2014
		HK$'000	*HK$'000*
Profit for the year attributable to:			
Owners of the Company		**386,372**	453,711
Non-controlling interests		**4,230**	29,321
		390,602	483,032
Total comprehensive income attributable to:			
Owners of the Company		**232,067**	386,229
Non-controlling interests		**1,634**	25,452
		233,701	411,681
		HK$	*HK$*
Earnings per share	*13*		
From continuing and discontinued operations			
Basic		**0.25**	0.30
From continuing operations			
Basic		**0.26**	0.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	NOTE	2015 HK$'000	2014 HK$'000
Non-current Assets			
Property, plant and equipment		**806,049**	688,597
Prepaid lease payments		**77,246**	84,184
Investment properties		**185,636**	65,648
Goodwill		**1,061,335**	1,096,481
Intangible assets		**283,503**	324,977
Interest in an associate		**643,224**	715,766
Interest in a joint venture		**8,644**	–
Long-term receivables		**15,720**	–
Deposits for property, plant and equipment		**21,966**	6,149
		3,103,323	2,981,802
Current Assets			
Inventories		**116,504**	119,832
Prepaid lease payments		**2,092**	2,220
Trade and bills receivables	*14*	**783,185**	740,662
Other receivables, prepayments and deposits		**54,747**	33,860
Amount due from a shareholder		**3,449**	–
Tax recoverable		**3,164**	–
Pledged bank deposits		**2,173**	85,750
Bank balances and cash		**299,771**	378,985
		1,265,085	1,361,309
Assets classified as held for sale		**–**	140,050
		1,265,085	1,501,359

	NOTE	2015 HK$'000	2014 HK$'000
Current Liabilities			
Trade and bills payables	15	**282,158**	191,339
Other payables and accruals		**120,231**	208,169
Amounts due to non-controlling interests		**–**	24,741
Bank borrowings		**536,013**	740,662
Income tax payable		**54,927**	62,057
		993,329	1,226,968
Liabilities directly associated with assets classified as held for sale		**–**	4,694
		993,329	1,231,662
Net Current Assets		**271,756**	269,697
Total Assets less Current Liabilities		**3,375,079**	3,251,499
Non-current Liabilities			
Government grants		**36,164**	36,314
Bank borrowings		**277,660**	95,400
Deferred tax liabilities		**78,141**	92,266
		391,965	223,980
Net assets		**2,983,114**	3,027,519
Capital and Reserves			
Share capital		**7,839**	7,442
Share premium and reserves		**2,922,621**	2,961,426
Equity attributable to owners of the Company		**2,930,460**	2,968,868
Non-controlling interests		**52,654**	58,651
Total Equity		**2,983,114**	3,027,519

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

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")

Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

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

New and revised HKFRSs 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[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[3]

[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 2016
[4] Effective for annual periods beginning on or after a date to be determined

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 of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (Cap 622) ("new CO") regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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 sale 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:

	2015	2014
	HK$'000	*HK$'000*
Printing of cigarette packages	**1,446,422**	1,659,115
Manufacturing of laminated papers	**48,539**	44,308
	1,494,961	1,703,423

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 chief operating decision maker 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 of books services was discontinued in the last 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 2015

	Printing of cigarette packages	**Manufacturing of laminated papers**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment revenue for continuing operations	**1,446,422**	**48,539**	**1,494,961**
Segment profit for continuing operations	**448,821**	**12,518**	**461,339**
Unallocated — other income and other gains and losses			**31,100**
Unallocated expenses			**(157,217)**
Finance costs			**(37,371)**
Share of profit of an associate			**178,625**
Profit before taxation (continuing operations)			**476,476**

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

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

	2015 ***HK$'000***	2014 *HK$'000*
Continuing operations		
Interest on bank deposits	**6,463**	6,756
Sales of scrap materials	**3,514**	3,857
Processing fee income	**481**	1,939
Rental income	**2,246**	1,806
Government grants *(Note)*	**6,949**	4,009
Interest income on long-term receivables	**3,152**	–
Sundry income	**5,822**	1,137
	28,627	19,504

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$553,000 (2014: HK$377,000) 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

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Net foreign exchange (losses) gains	**(52)**	616
Gain on disposal of property, plant and equipment	**2,525**	26
	2,473	642

8. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans	**44,793**	52,233
Less: amounts capitalised in the cost of qualifying assets	**(7,422)**	(6,150)
	37,371	46,083

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.3% (2014: 6.0%) per annum to expenditure on qualifying assets.

9. TAXATION

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
The PRC Enterprise Income Tax ("EIT")	**68,478**	87,538
Withholding tax	**26,437**	28,065
	94,915	115,603
Overprovision of EIT in prior years:	**(3,872)**	(4,044)
Deferred tax:		
Current year	**(11,247)**	(7,536)
	79,796	104,023

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2014: 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 2013 to 2018.

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:

	2015	2014
	HK$'000	*HK$'000*
Profit before taxation (from continuing operations)	**476,476**	585,644
Tax at the applicable rate of 25% (2014: 25%) *(Note)*	**119,119**	146,411
Tax effect of share of profit of an associate	**(44,656)**	(53,727)
Tax effect of expenses not deductible for tax purpose	**23,967**	29,493
Tax effect of income not taxable for tax purpose	**(997)**	(2,122)
Overprovision in respect of prior years	**(3,872)**	(4,044)
Tax effect of deductible temporary differences not recognised	**232**	994
Income tax on concessionary rate	**(38,317)**	(48,471)
Deferred tax on undistributed earnings of PRC subsidiaries/associate	**24,320**	35,489
Tax charge for the year (relating to continuing operations)	**79,796**	104,023

Note: The applicable tax rate of 25% represents the applicable income tax rate of the subsidiaries in Shenzhen and Anhui in the PRC which constitute the substantial part of the Group's operation for the years ended 31 December 2015 and 2014.

10. DISCONTINUED OPERATIONS

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 results of the discontinued operations included in the profit for the year are set out below.

	2015	2014
	HK$'000	*HK$'000*
Profit of provision of printing of books operations	**–**	1,411
Loss on disposal of provision of printing of books operations	**(6,078)**	–
	(6,078)	1,411
Revenue	**–**	159,069
Cost of sales	**–**	(144,251)
Other income	**–**	2,195
Other gains and losses	**–**	320
Selling and distribution expenses	**–**	(7,807)
Administrative expenses	**–**	(8,530)
Finance costs	**–**	(336)
Profit before taxation	**–**	660
Loss on disposal of operation	**(6,078)**	–
Attributable income tax income	**–**	751
(Loss) profit for the year from discontinued operations (attributable to owners of the Company)	**(6,078)**	1,411

Profit for the year from discontinued operations

	2015	2014
	HK$'000	*HK$'000*
Profit for the year from discontinued operations include the following:		
Staff costs:		
Directors' emoluments	**–**	60
Other staff costs		
Salaries and other benefits	**–**	25,342
Contributions to retirement benefits schemes	**–**	1,673
	–	27,075
Auditor's remuneration	**–**	59
Cost of inventories recognised as expenses	**–**	142,795
Depreciation of property, plant and equipment	**–**	12,037
Reversal of impairment on trade receivables	**–**	(19)
Interest on bank deposits	**–**	(728)

Cash flows from discontinued operations

	2015	2014
	HK$'000	*HK$'000*
Net cash inflow from operating activities	**–**	35,031
Net cash inflows from investing activities	**53,375**	1,429
Net cash outflow from financing activities	**–**	(85,088)
Net cash inflow (outflow)	**53,375**	(48,628)

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

	2015	2014
	HK$'000	*HK$'000*
Profit for the year from continuing operations has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**2,824**	8,913
Other staff costs		
Salaries and other benefits	**101,828**	122,527
Contributions to retirement benefits schemes	**10,655**	10,711
	115,307	142,151
Auditors' remuneration	**4,292**	4,576
Cost of inventories recognised as expenses	**973,043**	1,088,904
Depreciation of property, plant and equipment	**63,406**	80,114
Release of prepaid lease payments	**2,185**	2,234
Depreciation of investment properties	**5,417**	3,287
Amortisation of intangible assets (included in cost of sales and administrative expenses)	**45,403**	45,249
Operating lease rentals in respect of rented premises	**3,568**	4,058
Recognition of write-down on obsolete inventories (included in cost of sales)	**927**	405
Recognition of impairment on trade receivables	**–**	2,485
Recognition of impairment on long-term receivables	**4,990**	–
Research and development costs recognised as an expense (included in other expenses)	**3,625**	3,721
Share of taxation of an associate	**32,511**	38,845
Gross rental income from investment properties	**(2,577)**	(1,937)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**331**	131
	(2,246)	(1,806)

12. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2015 Interim — HK25.50 cents (2014: nil) per share	**399,811**	–
2014 Final — nil (2014: 2013 final dividend HK9.13 cents) per share	**–**	135,897
	399,811	135,897

Subsequent to the end of the reporting period, a special dividend of HK15.30 cents per share has been declared to be payable to the shareholders whose names appear on the Company's register of members at the close of business on 1 March 2016. The directors do not recommend the payment of a final dividend for the years ended 31 December 2015 and 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:

	2015	2014
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**386,372**	453,711

	2015	2014
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,527,198**	1,488,469

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the share placing completed on 6 July 2015.

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:

	2015	2014
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company	**386,372**	453,711
Less: (Loss) profit for the year from discontinued operations	**(6,078)**	1,411
Earnings for the purpose of basic earnings per share from continuing operations	**392,450**	452,300

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

From discontinued operations

Basic (loss) earnings per share for the discontinued operations is HK(0.40) cent per share (2014: HK0.09 cent per share), based on the (loss) profit for the year from the discontinued operations of HK$(6,078,000) (2014: HK$1,411,000) and the denominator detailed above for basic earnings per share.

14. TRADE AND BILLS RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**703,313**	714,570
Less: allowance for doubtful debts	**(2,342)**	(2,485)
	700,971	712,085
Bills receivables	**82,214**	28,577
	783,185	740,662

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.

	2015	2014
	HK$'000	*HK$'000*
0–90 days	**684,153**	675,107
91–180 days	**49,687**	42,807
181–365 days	**35,915**	21,969
Over 365 days	**13,430**	779
	783,185	740,662

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$99,032,000 (2014: HK$65,555,000) 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

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**280,453**	190,091
Bills payables	**1,705**	1,248
	282,158	191,339

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

	2015	2014
	HK$'000	*HK$'000*
0–30 days	**206,218**	134,537
31–90 days	**57,427**	51,310
91–180 days	**17,256**	4,997
181–365 days	**1,153**	43
Over 365 days	**104**	452
	282,158	191,339

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 2015, the Company achieved revenue of approximately HK$1,495.0 million with profits attributable to owners amounting to approximately HK$386.4 million and basic earnings per share of approximately HK25 cents. The Board does not recommend any final dividend for the year ended 31 December 2015. During the year, the Board has declared and paid an interim dividend of HK$0.255 per share. Subsequent to the end of the year, a special dividend of HK$0.153 per share has been declared to be payable to the shareholders whose names appear on the Company's register of members at the close of business on 1 March 2016. During the year, the Group achieved Underlying Profit of approximately HK$452.1 million, a decrease of 11.0% over 2014.

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-off expenses related to business combination, amortization and depreciation charges arising from business valuation.

In 2015, China's gross domestic products recorded a growth rate of 6.9% being the lowest in 25 years, while global economy was also at a sluggish pace. Various political measures brought to the cigarette industry 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 decrease in revenue as the sales volume declined, but was partly offset by a mild increase in average selling price.

In 2015, the cigarette and the cigarette packages printing industry continued to be affected by the tendering system, nationwide austerity measures and industry consolidation. The increase in the nationwide tobacco tax rate and retail price in May 2015 and stricter public smoking ban, further dampened the public demand for cigarette. This in turn slowed the overall production level of the cigarette industry especially in the 2nd half of 2015 and therefore affected our sales volume. The accumulation of cigarette inventory in the industry in the 2nd half of 2015 also brought price pressure into the supply chain. As a result of the foregoing, the national production volume and sales of cigarette decreased slightly as compared to 2014. The Chinese government continues to upgrade the tobacco industry by encouraging the growth of top tier products at the expense of mid-to-low tier products. Therefore, the mid-to-low tier business which are significant to Group's revenue, was dampened during the year but was partially offset by the Group's effort in increasing revenue and volume of the high tier business. The Group's subcontracting business maintained relatively high gross margin but was affected substantially due to the drop in sales volume. Mainly due to drop in average selling price in low tier products, the gross profit margin of this segment recorded a slight decrease as compare to 2014.

In 2015, the Group has spent extensive efforts in infrastructure improvement across all of its factories which included resources integration and optimization among our production facilities. In particular the commencement of production in the newly constructed Anhui Technology Park plays an important role in the Group. Such strategic actions enable us to keep pace with new technological advancements, further capacity expansion, promote further cost savings and develop new initiatives such as intelligent factory and business transformation. The Group also began its first mass production in the business of QR Code printing in 2nd half of 2015 and has printed a total of 6.6 million master cases in 2015.

Provision of Printing of Book Services

The Group has completed the disposal of the provision of printing of book business in January 2015.

Manufacturing of Laminated Papers

The segment profit of laminated paper manufacturing has increased by 43.7% mainly due to increase in tailor-made orders from few major customers while maintaining cost at a stable level.

Fund Raising Activities

On 22 May 2015, the Company entered into a placing agreement (the "Placing Agreement") with the placing agent, an independent third party, to place up to 80,000,000 placing shares to the placees, who included connected persons of the Company and staff of the Group, at the placing price of HK$1.70 per share (the "Placing").

The Placing was completed on 6 July 2015 in accordance with the terms and conditions of the Placing Agreement under which a total of 79,416,000 placing shares had been successfully placed by the placing agent at the placing price of HK$1.70 per share. The net proceeds of approximately HK$132.5 million raised have been applied for transformation of the Group's factories and as repayment of bank loan.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the year, the revenue of the Group was approximately HK$1,495.0 million (2014: HK$1,703.4 million), which represents a decrease of approximately HK$208.4 million or 12.2% as compared with 2014. The revenues of our two business segments, namely cigarette package printing business and manufacturing of laminated papers decreased by 12.8% to HK$1,446.4 million and increased by 9.5% to HK$48.5 million respectively.

Decreased in revenue was mainly resulted from the drop in sales volume of low to mid tier products as a consequence of Group's effort to develop high tier market during the year. The decline in turnover was also affected by the devaluation of Renminbi against Hong Kong dollars. Despite price pressures brought by mandatory tendering system and over-accumulation of cigarette in China tobacco industry, average selling price of Group's products had recorded a mild increase. The sales volumes of cigarette package printing segment decreased from approximately 2.3 million cases in 2014 to 1.9 million cases in 2015.

Gross Profit

During the year, gross profit of the Group decreased by approximately HK$90.9 million or 16.4% to HK$462.0 million as compared with 2014. The gross profit margin has decreased from 32.5% in 2014 to 30.9% in 2015. It was mainly (i) due to price pressure of intensifying tendering system; and (ii) increase in production costs relative to revenue. Accordingly, the Group has spent tremendous effort into streamlining production process to improve productivity and reduce labour. Continuous equipment modifications were made to offset the mandatory increase in wages in the PRC. The Group's procurement of raw materials was integrated into a single platform to keep costs of material under tighter control and mitigate the adverse effect of price pressure on our gross margin.

Other Income

Other income increased by HK$9.1 million as compared with 2014. It was mainly due to increase in government grant, services income and interest income on long-term receivables arising from the disposal of printing of book business, by HK$2.9 million, by HK$3.0 million and by HK$3.2 million respectively.

Other Gains and Losses

Other gains and losses represent net foreign exchange losses and gain on disposal of property, plant and equipment. The gain in 2015 was largely attributable to the gain on disposal of obsolete machinery.

Selling and Distribution Expenses

The selling and distribution expenses increased approximately by HK$9.1 million or 24.8% to boost the declining sales.

Administrative Expenses and Other Expenses

During the year, administrative and other expenses amounted to HK$112.0 million in total, representing a decrease of approximately HK$7.5 million or 6.3% when compared with 2014. It was mainly due to decrease in directors' emoluments and miscellaneous expenses by HK$6.1 million and by HK$1.4 million, respectively.

Finance Costs

Finance costs decreased by approximately HK$8.7 million, as the Group's syndicated loans were fully settled during the year and the Group has adopted the more flexible and economical bilateral loans.

Share of Profit of an Associate

Share of profit of an associate decreased by approximately by HK$36.3 million to HK$178.6 million during 2015. It was mainly attributable to the provision of full impairment loss by the Group's associated company during the year in relation to loan for an aborted infrastructure project from which the Group indirectly shared HK$27.1 millions loss. Besides, the continuous price pressure under mandatory tendering and the challenges to the PRC economy and the tobacco industry contributed another HK$9.1 millions for the decrease in the Group's share of profit from this associated company.

Taxation

The effective tax rate of the Group remained stable for the Group, decreased slightly from approximately 17.8% to 16.7% during the year.

Profit for the year Attributable to Owners of the Company

Profit attributable to the owners of the Company decreased by HK$67.3 million to HK$386.4 million or 14.8%, mainly attributable to the decrease in turnover and a decrease in the share of profit from an associate as described above.

Segment Information

The Group entered into agreement to dispose of the provision of printing of book business in December 2014, and such business was regarded as discontinued operations in Year 2015.

During the year, the earnings from the printing of cigarette packages and manufacturing of laminated papers were approximately HK$448.8 million (2014: HK$552.7 million) and HK$12.5 million (2014: HK$8.7 million) respectively. Earnings from the printing of cigarette packages accounted for approximately 97.3% of the total segment earnings before unallocated items. The earnings from the printing of cigarette packages was decreased by approximately 18.8%, and manufacturing of laminated papers were increased by approximately 43.7%.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities. As at 31 December 2015, the Group had net current assets of HK$271.8 million (2014: HK$269.7 million), while the Group's cash and cash equivalents amounted to HK$299.8 million (2014: HK$379.0 million). As at 31 December 2015, the short-term interest-bearing bank borrowings of the Group amounted to HK$536.0 million (2014: HK$740.7 million). Carrying amounts of trade receivables, property, plant and equipment, prepaid lease payments, investment properties and bank deposits pledged for securing credit facilities amounted to approximately HK$483.5 million (2014: HK$409.5 million), HK$113.9 million (2014: HK$38.6 million), HK$4.8 million (2014: HK$5.2 million), HK$123.8 million (2014: Nil) and HK$2.2 million (2014: HK$85.8 million) respectively. As at 31 December 2015, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity, remained stable at 27.3% (as at 31 December 2014: 27.6%). As at 31 December 2015 the Group had capital commitments for purchase of property, plant and equipment amounted to HK$89.5 million (2014:HK$10.0 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 2015.

MATERIAL ACQUISITION AND DISPOSAL AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The printing of book services segment was disposed on 12 January 2015. Such disposal has no significant impact on the financial position to the Group.

On 1 July 2015, Shenzhen Guilian Printing Limited (the "SZGP"), one of the subsidiaries of the Company, entered into a strategic cooperation agreement with Guangxi Haiyun Zhiyou Property Service LLC 廣西海韻之友物業服務有限責任公司 (the "Guangxi Haiyun"), an independent third party, to establish the joint venture entity in Shenzhen Qianhai with an initial registered capital of RMB15,000,000 (equivalent to approximately HK$18,750,000) for a term of 20 years which will be initially owned as to 51% by Guangxi Haiyun and as to 49% by SZGP for the purpose of developing the business of provision of 2D Barcodes and O2O solutions for its customers. Details of the transactions were set out in the announcement of the Company on 6 July 2015.

On 10 July 2015, the Group entered into provisional sale and purchase agreement with independent third parties to acquire Best Legend International Holdings Limited, whose sole assets are the entire 12th Floor and 3 car parking spaces on AXA Centre located in Wanchai, Hong Kong (the "Property") for a total cash consideration of HK$205.9 million. The completion took place on 31 August 2015. Part of the Property shall be used as the Group's principal place of business in Hong Kong. The Group intends to rent out the remaining part of the Property as investment property to generate rental income to the Group in the foreseeable future. Details of the transactions were set out in the announcement of the Company on 10 July 2015.

On 29 December 2015, SZGP and Tianjin Rongcai Technology Co., Ltd ("Tianjin Rongcai"), a non wholly-owned subsidiary of Masterwork Machinery Company Limited, entered into the joint venture agreement to establish the joint venture company in Tianjin, the PRC for: (i) the planning and design of intelligent and environmentally-friendly production plant and system; (ii) the research and development, and sales of intelligent automated robot among the tobacco packaging industry; (iii) developing automated and environmentally-friendly facilities and techniques to be applied in the tobacco packaging industry; (iv) catalyzing the development of intelligent packaging projects and any foreign investment and equity acquisitions to ensure the pioneer level in the industry; and (v) other businesses related to packaging and printing. Pursuant to the terms of the joint venture agreement, the initial registered capital of the joint venture company is RMB30,000,000 and is contributed as to 60% by Tianjin Rongcai and 40% by SZGP. Details of the transactions were set out in the announcement of the Company on 29 December 2015.

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

TREASURY POLICIES

The Group adopted a prudent strategy towards the treasury and funding policies, with strong emphasis on risk control and transactions directly related to the Group's principal business. Funds, primarily denominated in Renminbi and Hong Kong dollars, are normally placed with banks in short or medium term deposits for working capital of the Group.

CAPITAL STRUCTURE

The Group's operations was mainly financed by funds generated from its operations and borrowings. As at 31 December 2015, 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 denominated in Renminbi, while its costs and expenses are mainly denominated in Hong Kong dollars and Renminbi. In view of the prevailing macro-economic environment and the volatile foreign exchange market, the Group is exposed to the foreign exchange rate risk. An exchange loss was arisen due to the translation of functional currency of Renminbi to presentation currency of Hong Kong dollar during the reporting period when Renminbi depreciated against Hong Kong dollar. However, such translation is a non-cash item in nature and has no practical effect to our day to day operation as majority of our revenue and cost are all denominated in Renminbi. Therefore, the Group did not enter into any foreign currency hedging arrangements. The Group will closely monitor the volatility of foreign exchange rate and apply the appropriate hedging strategy subject to the then situation if appropriate.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2015, assets with carrying amounts of approximately HK$728 million (31 December 2014: HK$539 million) were pledged to banks in respect of banking facilities granted to Group.

HUMAN RESOURCES

As at 31 December 2015, the Group had 11 (2014: 14) and 1,130 (2014: 1,616) 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

On 22 December 2015, Office of the State Council issued 《關於做好2015年底和2016年初行業運行調控工作的通知》 (State Tobacco Circular 2015 No. 368) stipulates that the state objective for 2016 is to reduce the accumulation of inventory through promotion, decreasing production, enhancing brand building and adjusting the state of the market by means of production by order and co-production.

As China has entered into the "new normal", economic growth is heading into a period of low-medium growth. The tobacco industry is set for further brand consolidation. In 2016, tobacco industry is likely to face challenges arisen from the accumulation of inventory, the changing eco-system of cigarette industry and downward pressure from the macro-economy. To change and adapt to the new economy, the Company has followed the industrial development trend by improving its competitive strengths on technology and innovation under the guiding principles of "consolidation, upgrade and transformation", in particular investing in digitization, intelligence production, plant automation and internet connectivity of products for expanding the value chain. Foreseeing the challenges aheads the Group adopted the following strategies.

Transformation from traditional printing oriented business to the provision of all-in-one solution in the tobacco industry

Leveraging on the Group tobacco package printing and research and development experience, to strengthen our market position as one of the leading cigarette packages printing companies in the PRC, aside from the traditional printing service, the Group set to position itself as a prominent player in the PRC cigarette supply chain to provide an all-in-one solution to the China National Tobacco Corporation ("CNTC") customers encompassing collection of relevant market data, proactively research on new packaging material and technique, procurement of material, production of package and sales of cigarette. Working closely with the CNTC customers with an aim to induce further demand and assist brand enhancement and differentiation in the market.

In the 2nd half of 2015, the commencement of QR Code printing refer to as "One Pack, One Code" on the cigarette pack for the CNTC customers embarks the first step in the Group's roadmap for the construction of O2O platform for CNTC and retail shop network that sells cigarettes. Leveraging on the resources of China Tobacco Guangxi Industrial Co. Ltd, our joint venture partner for the O2O business, we will manage the QR Code system and O2O platform from code origination, proofread, management for QR Code to operation of non-cigarette online sales. The data collected from the O2O platform enables us to engage in Big Data and competition planning, and sales analysis, which will help us to assist the CNTC customers more efficiently. Such platform also enables CNTC customers to procure market data in a timely manner for various marketing campaign and enables the Group tap into e-commerce and m-commerce. Target market will initially be the near provinces where our Group has operation in.

Striving for expansion into non-cigarette industry field

Considering the matured tobacco packaging industry is limited in growth catalysts, it is the Group's strategy to decrease the reliance on cigarette packaging printing business and to diversify into non-cigarette packaging. Furthermore, by self-developing own packaging solution or technique or by subcontracting with other consumer products, revenue base can be enhanced. With the commencement of the Anhui Technology Park, it is aimed to become a pilot site for the Group's non-cigarette packaging business. The Group will from time to time strive to take the technological and cost advantage of Anhui Technology Park to identify suitable non-cigarette packaging business to enhance the performance of the Group.

It is the Group's corporate mission to continue to explore ways to improve its financial performance, to equip the Group with growth momentum, to diversify its operations internationally into new and more profitable businesses and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or diversifying into other profitable business as long as it is in the interest of the Company and the Shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing investment portfolio and evaluates the investment potentials of other investment opportunities available to the Company from time to time. Subject to the results of such reviews, the Company may make suitable investment decisions according to the then circumstance and information available which may involve the change of the asset allocation of its investment portfolio and/or expanding its investment with a view of realising and/or optimising the expected return and minimising the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. Notwithstanding the Group's intention to explore any potential new business(es),it is the firm intention of the Group to strive to further develop its principal business of cigarette packages printing and manufacturing of laminated paper in the PRC.

Embrace "Made in China 2025" strategy

As stated in the "13th Five-Year Plan", China will implement more stringent requirement for green manufacture initiatives, including encouraging upgrade of production facility, transformation into high-technology production technique. To this end, and the Group formed a joint venture with Tianjin Rongcai Technology Co., Ltd, a non wholly-owned subsidiary of Masterwork Machinery Company Limited in December 2015 to develop intelligent and environmental-friendly facilities for the tobacco packaging industry. The first of such prototype production line for cigarette package printing is expected to be ready in the Group's Shenzhen production facility in 2016.

It is also the intention for the Group to engage in research, development and sales of intelligent automated packaging solution which can then provide the solution to different printing and packaging industry through the joint venture to broaden the Group's income source. The Group will also invest resource in developing its own intelligent property relating to printing and packaging business.

With the completion of our Anhui Technology Park in the fourth quarter of 2015, it has equipped with large scale automation production facilities along with a new tobacco research centre capable of developing new packaging product and solution including but not limited to those in collaboration with the Group's CNTC customers.

As part of further utilizing our application of QR Code in operation, after the upgrade of our enterprise resource planning system, the Group is now capable of using QR code as a control tool starting from the procurement cycle to sales cycle to strengthen corporate efficiency, reduce lead time and increase competitiveness.

Synergetic co-operations and developments

Having a well established foundation and position knowing the challenges and obstacles ahead, the Group will strive to explore opportunities for strategic and synergetic collaboration, including but not limited to merger and acquisition, forming of joint ventures and/or strategic diversification and/or other corporate action in the future should they be in the interest of the Company and its shareholders as a whole.

With a long operating history and a sound financial position, the Group is set to overcome the challenge and obstacles brought by the changing eco-system of the industry and macro-economy by positioning itself as a "Printing + Internet + Value" enterprise which integrate our core printing and packaging competence with the strategic use of internet, O2O, to transform ourselves to an all-in-one service provider, amid the PRC economy transitional period to generate high value added service to our stakeholders, to achieve win-win result and to be geared with growth drivers.

FINAL DIVIDEND

The Board does not recommended the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

During the reporting period, the Board has declared and paid an interim dividend of HK$0.255 per share.

Subsequent to the end of the reporting period, a special dividend of HK$0.153 per share has been declared to be payable to the shareholders whose names appear on the Company's register of members at the close of business on 1 March 2016.

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 2015, the Company has complied in general with the Code, except code provisions A.6.7 and E.1.2 of the Code as Mr. Cai Xiao Ming (the Chairman of the Board), Mr. Qin Song (the Vice-Chairman and the Chief Executive Officer), Mr. Siu Man Ho, Simon (the independent non-executive Directors) and Mr. Sean Xing He (the Ex-non- executive Director) were unable to attend the annual general meeting of the Company held on 5 June 2015 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. 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 and risk management 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 2015, 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 2015, 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 2015 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 2015.

ANNUAL GENERAL MEETING

The annual general meeting ("2016 AGM") of the Company will be held in Hong Kong on or about 3 June 2016. Notice of the 2016 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 2016 AGM, the register of members of the Company will be closed from 2 June 2016 to 3 June 2016 (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 2016 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 1 June 2016.

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, 24 March 2016

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cai Xiao Ming, David (Chairman), Mr. Qin Song (Vice Chairman and the Chief Executive Officer) and Mr. Peng Guoyi, one non-executive Director, namely, Ms. Li Li, and three independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy and Mr. Siu Man Ho, Simon.