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Jin Bao Bao Holdings Limited

金寶寶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board (the “**Board**”) of directors (the “**Director(s)**”) of Jin Bao Bao Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2017 (the “**Period**”) together with the comparative figures for the six months ended 30 June 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		Six months ended 30 June	
	<i>Notes</i>	2017	2016
		RMB'000	RMB'000
		(unaudited)	(unaudited)
REVENUE	5	188,278	99,372
Cost of sales		<u>(116,713)</u>	<u>(79,947)</u>
Gross profit		71,565	19,425
Other income		2,592	292
Other losses — net	6	(78)	(4,678)
Selling and distribution expenses		(8,580)	(6,546)
Administrative expenses		(33,973)	(10,919)
Other operating expenses		(198)	(996)
Finance costs	7	<u>(19,202)</u>	<u>(8,827)</u>
PROFIT/(LOSS) BEFORE TAX		12,126	(12,249)
Income tax expense	8	<u>(5,202)</u>	<u>(674)</u>
PROFIT/(LOSS) FOR THE PERIOD AND ATTRIBUTABLE TO OWNERS OF THE PARENT	9	<u>6,924</u>	<u>(12,923)</u>
		RMB cents	RMB cents
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted	11	<u>0.07</u>	<u>(0.13)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2017*

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
PROFIT/(LOSS) FOR THE PERIOD	6,924	(12,923)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of available-for-sale investments	(1,595)	—
Exchange differences on translation of foreign operations	3,670	(13,783)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	2,075	(13,783)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD AND ATTRIBUTABLE TO OWNERS OF THE PARENT	8,999	(26,706)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		30 June 2017 <i>RMB'000</i> (unaudited)	31 December 2016 <i>RMB'000</i> (audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		70,634	65,585
Investment property		39,071	40,308
Prepaid land lease payments		2,489	2,528
Goodwill		220,569	206,565
Available-for-sale investments	12	53,089	—
Deferred tax assets		26	26
Total non-current assets		385,878	315,012
CURRENT ASSETS			
Inventories		14,651	14,294
Prepaid land lease payments		71	71
Trade and notes receivables	13	140,839	142,511
Prepayments, deposits and other receivables		8,086	5,644
Cash and bank balances		288,648	162,533
Total current assets		452,295	325,053
CURRENT LIABILITIES			
Trade payables	14	33,403	109,463
Other payables and accruals	15	81,161	45,714
Interest-bearing bank and other borrowings	16	250,445	233,891
Tax payables		7,190	3,492
Finance lease payables		12	—
Total current liabilities		372,211	392,560
NET CURRENT ASSETS/(LIABILITIES)		80,084	(67,507)
TOTAL ASSETS LESS CURRENT LIABILITIES		465,962	247,505
NON-CURRENT LIABILITIES			
Interest-bearing other borrowings	16	169,308	—
Deferred tax liabilities		2,437	2,185
Finance lease payables		55	—
Total non-current liabilities		171,800	2,185
Net assets		294,162	245,320
EQUITY			
Equity attributable to the owners of the parent			
Share capital	17	8,853	8,126
Reserves		285,309	237,194
Total equity		294,162	245,320

1. GENERAL INFORMATION

Jin Bao Bao Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 4 January 2011 and its shares (the “**Share(s)**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Suites 2005–2006, 20/F., Tower 6, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong. The Company is an investment holding company.

During the Period, the Group was involved in the following principal activities:

- design, manufacture and sale of packaging products and structural components in the People’s Republic of China (the “**PRC**”)
- provision for corporate secretarial, consultancy and business valuation services
- property investment

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
<i>Annual Improvements 2014–2016 Cycle</i>	Amendments to a number of HKFRSs

The adoption of these revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated financial statements and there have been no significant changes to the accounting policies in the unaudited condensed consolidated financial statements.

4. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited condensed consolidated financial statements.

Amendments to HKFRS 2	<i>Classifications and Measurement of Share-based Payment Transactions¹</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts¹</i>
HKFRS 9	<i>Financial Instruments¹</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
HKFRS 15	<i>Revenue from Contracts with Customers¹</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers¹</i>
HKFRS 16	<i>Leases²</i>
Amendments to HKAS 40	<i>Transfers to Investment Property¹</i>
<i>Annual Improvements 2014–2016 Cycle</i>	Amendments to a number of HKFRSs ⁴
HK(IFRIC) – Int 22	<i>Foreign Currency Transactions and Advance Consideration¹</i>
HK(IFRIC) – Int 23	<i>Uncertainty Over Income Tax Treatment²</i>

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ No mandatory effective date yet determined but available for adoption

⁴ Effective for annual periods beginning on or after 1 January 2018, with early application permitted

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

5. REVENUE AND OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the sales of packaging products and structural components segment;
- (b) the corporate secretarial, consultancy and business valuation services segment; and
- (c) the property investment segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, deferred tax liabilities, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Six months ended 30 June 2017	Sales of packaging products and structural components <i>RMB'000</i> (unaudited)	Corporate secretarial, consultancy and business valuation services <i>RMB'000</i> (unaudited)	Property investment <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment revenue:				
Revenue from external customers	135,464	52,814	—	188,278
Segment results	7,947	32,791	(104)	40,634
<u>Reconciliation:</u>				
Interest income				52
Finance costs				(19,202)
Corporate and other unallocated expenses, net				(9,358)
Profit before tax				12,126
Income tax expense				(5,202)
Profit for the Period				6,924
30 June 2017				
	Sales of packaging products and structural components <i>RMB'000</i> (unaudited)	Corporate secretarial, consultancy and business valuation services <i>RMB'000</i> (unaudited)	Property investment <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment assets	270,783	255,993	39,083	565,859
<u>Reconciliation:</u>				
Deferred tax assets				26
Corporate and other unallocated assets				272,288
Total assets				838,173
Segment liabilities	37,959	26,424	65	64,448
<u>Reconciliation:</u>				
Interest-bearing bank and other borrowings				419,753
Tax payable				7,190
Deferred tax liabilities				2,437
Corporate and other unallocated liabilities				50,183
Total liabilities				544,011

No operating segment is presented during the six months ended 30 June 2016 as the Group basically operated in one single operating segment, i.e., the sales of packaging products and structural components segment.

6. OTHER LOSSES — NET

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net losses on disposal of property, plant and equipment	—	4,678
Net foreign exchange losses	78	—
Total	<u>78</u>	<u>4,678</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest on bank borrowings	110	19
Interest on other borrowings	17,544	8,808
Interest on finance lease	1	—
Finance costs arising on early redemption of notes receivables	1,547	—
Total	<u>19,202</u>	<u>8,827</u>

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2017 and 2016. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

The PRC Enterprise Income Tax (“EIT”) in respect of operations in the PRC has been calculated at the applicable tax rate of 25% on the estimated assessable profits for the six months ended 30 June 2017 and 2016, or otherwise, 15% on the profits of the Group’s entities operated in the PRC that were assessed as Encourage Industries in Western Regions Enterprise (“西部地區鼓勵類企業”).

Withholding tax represented withholding tax paid in respect of the dividends distributed from certain PRC subsidiaries during the Period.

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current — Hong Kong		
Charge for the period	<u>3,959</u>	<u>—</u>
Current — PRC		
Charge for the period	1,001	681
Underprovision in prior years	<u>56</u>	<u>1</u>
	<u>1,057</u>	<u>682</u>
Withholding tax	406	—
Deferred	<u>(220)</u>	<u>(8)</u>
Total tax charge for the period	<u>5,202</u>	<u>674</u>

9. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging:

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	5,011	4,365
Amortisation of prepaid lease payments	37	37
Auditors' remuneration	33	220
Operating lease rentals in respect of premises	928	1,028
Cost of inventories recognised as an expense (including write-down recognised on inventories)	116,694	51,276
Cost of services provided	478	—
Directors' emoluments	1,672	558
Other employee salaries and benefits	16,957	18,327
Contributions to retirement benefits schemes, excluding those of Directors	1,743	1,497
Total employee benefits expenses	20,372	20,382

10. DIVIDENDS

No dividends were paid, declared or proposed during the Period, nor has any dividend been proposed since the end of the reporting period (for the six months ended 30 June 2016: Nil).

11. EARNINGS/(LOSS) PER SHARE — BASIC AND DILUTED

The calculation of basic earnings/(loss) per share amounts is based on the profit for the Period attributable to ordinary equity holders of the parent of approximately RMB6,924,000 (for the six months ended 30 June 2016: loss of approximately RMB12,923,000) and the weighted average number of 10,213,812,265 ordinary shares (30 June 2016: 10,046,153,846 ordinary shares) in issue during the Period.

The diluted earnings/(loss) per share amounts is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in issue during the six months ended 30 June 2017 and 2016.

12. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2017	31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Listed equity investments, at fair value	14,887	—
Unlisted fund trust investments	38,202	—
Total	53,089	—

13. TRADE AND NOTES RECEIVABLES

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Trade receivables		
— from sales of packaging products and structural components	100,390	96,122
— from rendering of corporate secretarial, consultancy and business valuation services	5,548	231
Notes receivables	34,901	46,158
Total	<u>140,839</u>	<u>142,511</u>

The Group's trading terms with its customers are mainly on credit, or otherwise sales on cash terms are required. The credit period is generally one month, extending to 6 months for major customers. Notes receivables are received from customers under the ordinary course of business. All of them are bank acceptance bills with maturity period within six months.

Before accepting any new customers, the Group assesses the potential customers' credit quality and defines credit limits by customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Within 3 months	99,888	91,940
Over 3 to 6 months	5,100	3,349
Over 6 to 12 months	950	918
Over 12 months	—	146
Total	<u>105,938</u>	<u>96,353</u>

The aged analysis of the trade receivables that are not individually or collectively considered to be impaired is as follow:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Neither past due nor impaired	100,359	95,087
Less than 3 months past due	4,553	148
Over 3 to 6 months past due	101	972
Over 6 to 12 months past due	925	146
Total	<u>105,938</u>	<u>96,353</u>

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

14. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Within 3 months	31,728	103,146
Over 3 to 6 months	397	3,153
Over 6 to 12 months	921	2,863
Over 12 months	357	301
Total	<u>33,403</u>	<u>109,463</u>

The trade payables are non-interest bearing and are normally settled on 30 days to 90 days terms.

15. OTHER PAYABLES AND ACCRUALS

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Receipt in advance	27,677	263
Accruals	2,261	4,124
Interest payables	48,461	34,002
Other payables	2,762	7,325
Total	<u>81,161</u>	<u>45,714</u>

Other payables are non-interest bearing and have an average term of three months.

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	At 30 June 2017 (unaudited)			At 31 December 2016 (audited)		
	Contractual interest rate (%)	Maturity	<i>RMB'000</i>	Contractual interest rate (%)	Maturity	<i>RMB'000</i>
Current:						
Bank loan — secured (<i>Note a</i>)	5.53	On demand	6,000	5.48	On demand	1,000
Other borrowings:						
— unsecured (<i>Note b</i>)	8	2018	24,311	—	—	—
— secured (<i>Note c</i>)	12	2018	43,412	24	2017	53,744
— secured (<i>Note d</i>)	10	2017	173,649	10	2017	179,147
— secured (<i>Note e</i>)	6.5	2017	3,073	—	—	—
			<u>250,445</u>			<u>233,891</u>
Non-current:						
Other borrowing:						
— unsecured (<i>Note f</i>)	10	2020	169,308	—	—	—
Total			<u>419,753</u>			<u>233,891</u>

Notes:

- a. The Group's bank loan is secured by the Group's buildings and prepaid land lease payments, which had an aggregate carrying value at the end of the reporting period of approximately RMB3,174,000 (31 December 2016: approximately RMB3,388,000). The aforesaid loan is denominated in RMB.
- b. The other loan is denominated in Hong Kong dollars ("HK\$").
- c. The other loan is secured by share charge over the entire share capital of a wholly-owned subsidiary of the Company (31 December 2016: unsecured). The aforesaid loan is denominated in HK\$.
- d. The other loan is secured by share charge over the entire share capital of a wholly-owned subsidiary of the Company. The aforesaid loan is denominated in HK\$.

- e. The other loan is secured by the Group's trade receivables, which had an aggregate carrying value at the end of the reporting period of approximately RMB3,073,000. The aforesaid loan is denominated in RMB.
- f. The other loan bears interest at a rate of 10% per annum payable semi-annually in arrears. The aforesaid loan is denominated in US Dollars.

17. SHARE CAPITAL

	Number of Shares '000	Nominal value of Shares HK\$'000
Authorised		
Ordinary shares of HK\$0.001 each at 1 January 2016 (audited), 31 December 2016 (audited), 1 January 2017 (audited) and 30 June 2017 (unaudited)	200,000,000	200,000
	Number of Shares '000	Nominal value of Shares HK\$'000
		Equivalent nominal value of Shares RMB'000
Issued and fully paid		
Ordinary shares of HK\$0.001 each at 1 January 2016 (audited)	10,000,000	10,000
Issue of ordinary shares in relation to acquisition of a subsidiary (<i>Note a</i>)	200,000	200
	10,200,000	10,200
Ordinary shares of HK\$0.001 each at 31 December 2016 (audited) and 1 January 2017 (audited)	10,200,000	10,200
Issue of ordinary shares under general mandate (<i>Note b</i>)	833,340	833
	11,033,340	11,033
Ordinary shares of HK\$0.001 each at 30 June 2017 (unaudited)	11,033,340	11,033

Notes:

- a. On 20 May 2016, the Company allotted and issued 200,000,000 Shares with par value of HK\$0.001 each in relation to the an acquisition dated 13 May 2016 pursuant to the general mandate granted at the annual general meeting of the Company dated 28 May 2015.
- b. On 28 June 2017, the Company allotted and issued 833,340,000 Shares with par value of HK\$0.001 each in relation to a share subscription dated 25 May 2017 pursuant to the general mandate granted at the annual general meeting of the Company dated 20 June 2017.

18. BUSINESS COMBINATION

On 31 March 2017, the Group acquired a 100% equity interest of Grand Intelligent Limited and its subsidiaries (collectively referred to as “**Grand Intelligent Group**”) from Power Grand Investments Limited, an independent third party, at the consideration of HK\$20,000,000 (equivalent to approximately RMB17,365,000). Grand Intelligent Group is engaged in the provision of business valuation services. The acquisition was made as part of the Group’s strategy to expand its business segment. The purchase consideration for the acquisition was in the form of cash, with HK\$20,000,000 (equivalent to approximately RMB17,365,000) paid at the acquisition date.

The fair values of the identifiable assets and liabilities of Grand Intelligent Group as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB’000 (Unaudited)
Trade and other receivables	107
Trade payables	(31)
Other payable	(33)
Tax payable	(7)
Total identifiable net assets at fair value	36
Goodwill on acquisition	17,329
Satisfied by cash	17,365

An analysis of the cash flows in respect of the acquisition of Grand Intelligent Group is as follows:

	RMB’000 (Unaudited)
Cash consideration	(17,365)
Cash and bank balances acquired	—
Net outflow of cash and cash equivalents included in cash flows from investing activities	(17,365)

Since the acquisition, Grand Intelligent Group contributed approximately RMB4,018,000 to the Group’s revenue and approximately RMB4,018,000 to the consolidated profit after tax for the six months ended 30 June 2017.

19. OPERATING LEASES ARRANGEMENTS

The Group leases certain of its office premises and are negotiated for terms of two years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

	At 30 June 2017 <i>RMB'000</i> (unaudited)	At 31 December 2016 <i>RMB'000</i> (audited)
Within one year	2,883	—
In the second to fifth years inclusive	2,162	—
Total	<u>5,045</u>	<u>—</u>

20. RELATED PARTY DISCLOSURE

Save as disclosed elsewhere in the unaudited condensed consolidated financial statements, there were no other significant related party transactions and balances during the six months ended 30 June 2017 and 2016.

21. EVENT AFTER THE END OF THE REPORTING PERIOD

- a. Mr. Lam Chi Wai resigned as an independent non-executive director of the Company on 5 July 2017.
- b. Ms. Bu Yanan was appointed as an independent non-executive director of the Company with effect from 5 July 2017.
- c. Ms. Xie Yan resigned as an executive director of the Company on 11 August 2017.
- d. Mr. Lee Chi Hwa, Joshua resigned as an independent non-executive director of the Company on 11 August 2017.
- e. Mr. Chan Chun Kau resigned as an independent non-executive director of the Company on 11 August 2017.
- f. Ms. Man See Yee was appointed as an independent non-executive director of the Company with effect from 11 August 2017.
- g. Mr. So Stephen Hon Cheung was appointed as an independent non-executive director of the Company with effect from 11 August 2017.
- h. At the extraordinary general meeting held on 8 August 2017, a special resolution was duly passed by the shareholders of the Company in relation to the change of the English name of the Company from “Jin Bao Bao Holdings Limited” to “Teamway International Group Holdings Limited”, and the existing Chinese name of the Company being “金寶寶控股有限公司” no longer be adopted (the “**Change of Company Name**”). The Change of Company Name will become effective from the date of entry of the new name on the register maintained by the Registrar of Companies of the Cayman Islands. The Registrar of Companies of the Cayman Islands shall issue a certificate of incorporation on change of name thereafter. The Company will then carry out all necessary filing procedures with the Registrar of Companies in Hong Kong. Further announcement will be made by the Company on or after the effective date of the Change of Company Name, the consequential change in the stock short names and website address of the Company as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of (i) design, manufacture and sale of packaging products and structural components in the PRC; (ii) provision of corporate secretarial, consultancy and business valuation services; and (iii) property investment.

Packaging Products and Structural Components Business

Revenue

Most of the Group's customers under the packaging products and structural components business are leading consumer electrical appliance manufacturers in the PRC.

An analysis of revenue by products is as follows:

	Six months ended 30 June			
	2017		2016	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
<i>Packaging products</i>				
Televisions	32,965	24.3	29,237	29.4
Air conditioners	43,891	32.4	18,178	18.3
Washing machines	16,942	12.5	14,073	14.2
Refrigerators	21,069	15.5	16,840	16.9
Water heater	4,847	3.6	4,524	4.6
Information Technology products	5,445	4.0	10,291	10.3
Others	375	0.3	255	0.3
<i>Structural components</i>				
For air conditioners	9,930	7.4	5,974	6.0
Total	135,464	100.0	99,372	100.0

The revenue by product type remained relatively stable. For the six months ended 30 June 2017, the revenue derived from the Group's products for air conditioners and televisions (including packaging products and structural components) made the largest and second largest contributions to the segment revenue, amounting approximately RMB86,786,000 or 64.1% of total segment revenue (for the six months ended 30 June 2016: approximately RMB53,389,000 or 53.7% of total revenue and segment revenue).

Cost of sales

The following table sets out a breakdown of the cost of sales for the periods stated below:

	Six months ended 30 June			
	2017		2016	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Raw materials	83,159	71.5	51,193	64.0
Direct labour costs	10,988	9.5	9,891	12.4
Manufacturing overhead	22,088	19.0	18,863	23.6
Staff costs	1,448	1.2	1,297	1.6
Depreciation	2,397	2.1	1,835	2.3
Utilities	12,290	10.6	11,172	14.0
Processing charges	5,582	4.8	3,816	4.8
Rental expenses	—	—	674	0.8
Others	371	0.3	69	0.1
Total	<u>116,235</u>	<u>100.0</u>	<u>79,947</u>	<u>100.0</u>

For the six months ended 30 June 2017, the cost of sales amounted to approximately RMB116,235,000, increased significantly by approximately RMB36,288,000 or 45.4% when compared to that of approximately RMB79,947,000 for the six months ended 30 June 2016.

The operating environment for manufacturing industries remained tough. Even the revenue was recorded an increase in the current period, the Group is still facing a challenge of increasing raw material costs, manufacturing overheads and direct labour costs, as a result of the increase in commodities prices, the increase in average level of wages and general inflation in the PRC. Such increase was far more than the increment in revenue, and thus the gross profit margin decreased from approximately 19.5% for the six months ended 30 June 2016 to approximately 14.2% for the six months ended 30 June 2017.

Supply of raw materials

The Group purchases raw materials and components necessary for the manufacturing of its packaging products and structural components from independent third parties. The raw materials mainly include expanded polystyrene (“EPS”) and expanded polyolefin (“EPO”). The Group retains a list of approved suppliers of raw materials and components and only makes its purchases from the list. The Group has established long-term commercial relationships with its major suppliers for stable supply and timely delivery of high quality raw materials and components. The Group has not experienced any major difficulties in procuring raw materials and components necessary for the manufacture of packaging products for the six months ended 30 June 2017. The Group continues to diversify its suppliers of raw materials and components to avoid over reliance on a single supplier for any type of raw materials and components.

Production capacity

The current production capacity enables the Group to promptly respond to market demand and strengthen its market position.

Provision of Corporate Secretarial, Consultancy and Business Valuation Services Business

The provision of corporate secretarial, consultancy and business valuation services business is conducted under Treasure Found Investments Limited and its subsidiaries (collectively referred to as “**Treasure Found Group**”). For the six months ended 30 June 2017, a segment revenue of approximately RMB52,814,000 and a segment profit of approximately RMB32,791,000 were recorded. As Treasure Found Group were acquired during the 2nd half year of 2016, no comparison figure can be provided.

During the six months ended 30 June 2017, the services provided by Treasure Found Group included advisory on financial accounting services, corporate secretarial services, valuation services, loan referral and insurance referral services, property agency services and strategic planning services. As the demand for these consultancy services remain strong as a result of recovery of global economy, the services fees received by Treasure Found Group grow steadily and generated positive cashflow to the Group.

Under the sale and purchase agreement for the acquisition of Treasure Found Group, Shining Praise Limited, being the vendor of the said sale and purchase agreement has irrevocably and unconditionally guaranteed to the Company that the audited consolidated profit before tax of Treasure Found Group for the year ending 31 December 2017 shall not be less than HK\$30,000,000 (the “**Guaranteed Profit**”) (the “**Profit Guarantee**”). If the actual audited consolidated profit before tax of Treasure Found Group for the year ending 31 December 2017 shall be less than the relevant Guaranteed Profit, the consideration shall be reduced accordingly based on the relevant formula. Further announcement(s) will be made by the Company in relation to the Profit Guarantee for the year ending 31 December 2017 as and when appropriate.

Property Investment Business

For the six months ended 30 June 2017, the Group’s investment property portfolio has one investment property, namely, a residential property situated at One SilverSea, No. 18 Hoi Fai Road, Kowloon, Hong Kong with a gross floor area of approximately 1,568 square feet. The said property was served as investment property and still at vacant possession and no revenue was generated from this business segment for the six months ended 30 June 2017.

FUTURE OUTLOOK

Packaging Products and Structural Components Business

During the Period, the Group has been experiencing challenging operating conditions because of slowing growth in the PRC, even though the turnover of the packaging products and structural components business of the Group has been improved for the six months ended 30 June 2017 as compared to that for the six months ended 30 June 2016. The operating environment for manufacturing industries in the PRC remains tough. The increase in consumers’ awareness and demands for more environmental-friendly packaging products gives rise to higher raw materials costs. Meanwhile, although the Group applied multiple plans and improvements for a more effective production process, worker shortage in industrial districts still caused the labour cost as a percentage of revenue of the Group to increase three years in a row. Given the fact that these costs associated with the

manufacturing of the packaging products and structural components continue to increase and are expected to persist, the profit margin from this segment has therefore been adversely affected and may continue to decline.

In view of the unsatisfactory business and financial performance of packaging products and structural components business for the abovementioned reasons, the Company therefore from time to time seeks attractive investment opportunities to broaden and diversify its income source and to accelerate the Group's business and earnings growth and long-term development.

Provision of Corporate Secretarial, Consultancy and Business Valuation Services Business

Despite an uncertain start of 2017, the global economy has been recovering steadily leading by the economic rebound of the United States. Under the PRC's "One Belt One Road" strategy, we expect more cross-border business activities to arise. The Board believes that it will booster the demands for our provision of corporate secretarial, consultancy and business valuation services in Hong Kong, which is a bridge connecting the PRC and the world with well-established stock exchange and financial infrastructure. As the Group has the required resources and expertise in this aspect, the Board is confident that its provision of corporate secretarial, consultancy and business valuation services business can take advantage of this situation and receive a stable grow in the coming years. The Group will also consider extending its scope of services to the financial and/or securities market by acquiring the money lenders' license and/or the licenses to conduct the regulated activities under the Securities and Futures Ordinance (the "SFO") in order to fully harvest the favorable business opportunities in these areas expected in the coming year.

Property Investment Business

In view of the recent high record sale for land bidding/auction in Hong Kong, we are optimistic on the price trend of property in long term. The Company will continue to look for opportunities to optimise the property portfolio of the Group.

Having witnessed the immediate impact contributed by the new businesses acquired by the Company in 2016 and first half year of 2017 and the challenging operating environment for manufacturing industries in the PRC, the Company is looking for any opportunities to reallocate its recourses from the packaging products and structural components business to the business of provision of corporate secretarial, consultancy and business valuation services and also other suitable business opportunities in the future to accelerate the business growth of the Group.

In order to capture any investment opportunities in a timely manner and/or optimising the financial position of the Group, the Company will continue to explore fund raising opportunities that may arise in the market or may realise the existing investment to raise sufficient funds to achieve such purpose. Meanwhile, the Group will continue step by step to expand its scope of services in the financial and/or securities market by acquiring the money lenders' license and/or the licenses to conduct the regulated activities under the SFO to fully harvest any business opportunities which may come in the future. With the declining trend of the packaging products and structural components business, the Group is looking for any opportunities to reallocate its resources from the packaging products and structural components business to other businesses of the Group. In relation to the investment in Cityneon Holdings Limited ("**Cityneon**"), the Directors are of the view that it is a good way to broaden its income sources and the potential growth of Cityneon is extremely high. Having regarded ourselves as a strategic investor of Cityneon, the Group will involve more in the management and strategic planning while consider increasing its investment in Cityneon in the near future.

FINANCIAL REVIEW

Financial results

For the six months ended 30 June 2017, the Group recorded the revenue of approximately RMB188,278,000, representing an increase of approximately RMB88,906,000 or 89.5% as compared to that of approximately RMB99,372,000 for the six months ended 30 June 2016.

Profit attributable to owners of the Company was approximately RMB6,924,000 for the six months ended 30 June 2017, increased by approximately RMB19,847,000 when compared to loss of approximately RMB12,923,000 for the six months ended 30 June 2016.

Basic and diluted earnings per share was RMB0.07 cents and RMB0.07 cents respectively for the six months ended 30 June 2017 (for the six months ended 30 June 2016: basic and diluted loss per share of RMB0.13 cents and RMB0.13 cents respectively).

Liquidity and Financial Resources

As at 30 June 2017, bank balances and cash of the Group amounted to approximately RMB288,648,000 of which approximately 30.6% was denominated in HK\$, approximately 58.7% was denominated in US Dollars and the rest was denominated in RMB (31 December 2016: approximately RMB162,533,000 of which approximately 81.8% was denominated in HK\$, approximately 0.1% was denominated in US Dollars and the rest was denominated in RMB).

Details of bank and other borrowings of the Group as at 30 June 2017 are set out in Note 16 to the unaudited condensed consolidated financial statements.

Capital structure

On 25 May 2017, the Company and Media Range Limited (“**Media Range**”) entered into the subscription agreement, in relation to the subscription of 833,340,000 Shares (the “**Subscription Share(s)**”) by Media Range at a price of HK\$0.06 per Subscription Share (the “**Share Subscription**”). On 28 June 2017, the Share Subscription was completed, a total of 833,340,000 Subscription Shares were allotted and issued with par value of HK\$0.001 each to Media Range pursuant to the general mandate granted at the annual general meeting of the Company dated 20 June 2017. As at 30 June 2017 and the date of this announcement, a total of 11,033,340,000 Shares with par value of HK\$0.001 each are in issue. Details of the Share Subscription were set out in the announcements of the Company dated 25 May 2017, 9 June 2017 and 28 June 2017.

Capital expenditure

Capital expenditure of the Group mainly includes the purchase of properties, plants and equipment. During the Period, capital expenditure of the Group amounted to approximately RMB7,684,000 (for the six months ended 30 June 2016: approximately RMB3,911,000).

Capital commitment

As at 30 June 2017, the Group had capital commitment of approximately RMB795,000 (31 December 2016: approximately RMB3,070,000).

Contingent liabilities

As at 30 June 2017, the Group had no material contingent liabilities (31 December 2016: Nil).

Pledge of Assets

As at 30 June 2017, the Group had pledged (i) assets of buildings and prepaid lease payments to the bank in the amount of approximately RMB3,174,000 (31 December 2016: approximately RMB64,311,000); (ii) trade receivables to the lender in the amount of approximately RMB3,073,000 (31 December 2016: Nil); and (iii) the entire issued share capital of two wholly-owned subsidiaries of the Company to the lenders (31 December 2016: the entire issued share capital of a wholly-owned subsidiary of the Company).

Gearing ratio

As at 30 June 2017, the gearing ratio was 1.43, (31 December 2016: 0.95), which was measured on the basis of the Group's total borrowings divided by total equity.

Foreign exchange risk

Business transactions of the Group are mainly denominated in HK\$, RMB and US Dollars. Accordingly, the Directors consider that the Group is not exposed to significant foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the Group's management monitors foreign exchange exposure. In the view of the fluctuation of RMB in recent years, the Group will consider hedging significant foreign currency exposure should the need arise.

INVESTMENT IN A LISTED COMPANY IN SINGAPORE

On 12 May 2017, Mutual Power International Limited, a wholly-owned subsidiary of the Company entered into shareholders agreement with third parties for the subscription of 8.5% of Lucrum 1 Investment Limited ("**Lucrum**"). Lucrum then entered into a sale and purchase agreement in relation to the acquisition of 52.51% of the entire issued share capital of Cityneon, a company listed on the Main Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The said acquisition was completed on 17 July 2017.

Cityneon together with its subsidiaries (collectively referred to as "**Cityneon Group**") is engaged in providing services including interior architecture, events, exhibitions as well as creation, design and building of experiential environments. Cityneon Group operates in five integrated business segments: interior architecture is engaged in providing architectural spatial planning, design consultation, project management and feasibility studies, consultations on furniture and office systems, lighting design, color and procurement; experimental environment is engaged providing technical expertise as well as project management of story-spaces, amusement parks, theme parks, museums and galleries; events is engaged in organising and management of an event from mass media promotions, public relations, logistics support to sponsorship activities; exhibitions is engaged in set-up of exhibitions from clients including governments, multinationals and conglomerates, and intellectual property rights is created through the acquisition of immersive attractions company Victory Hill Exhibitions Pte Ltd in 2015, which has the rights to hold exhibitions and events for iconic characters like Iron Man, Captain America, Spider-Man, The Hulk and Transformer from the Marvel Avengers and Hasbro brands.

Cityneon operates throughout Asia and the Middle East. Cityneon was incorporated in 1999 and was listed on SGX-ST in 2005. Cityneon has maintained steady growth in its businesses throughout the years with an historical high outburst of growth in net profit and EBITDA for the financial year of 2016, which is mainly attributable to the success and popularity of Marvel exhibition services.

PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF CHENG HAO INTERNATIONAL LIMITED

On 19 April 2017, Peace Bright Investment Trading Limited, a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement (the “SPA-CHI”) with Billion Grand Investments Limited in relation to the disposal of the entire issued share capital of Cheng Hao International Limited at the consideration of HK\$250 million, subject to the conditions precedent as set out in the SPA-CHI on or before 31 July 2017. On 31 July 2017, as the conditions precedent under the SPA-CHI have not been fulfilled on or before the long stop date, the SPA-CHI has lapsed. The Board considers that the lapse of the SPA-CHI will not have any material adverse impact on the business operation and financial position of the Group as a whole.

USE OF PROCEEDS FROM THE PLACING AND PUBLIC OFFER

The Company was successfully listed on the Main Board of the Stock Exchange on 18 November 2011 by way of placing and public offer (the “Placing and Public Offer”).

The proceeds received by the Company from the Placing and Public Offer, after deducting the relevant costs of the Placing and Public Offer, amounted to approximately HK\$44,500,000 in total. As at 30 June 2017, the Group had used net proceeds of approximately HK\$34,914,000, of which (i) approximately HK\$2,700,000 had been used for the repayment of bank loan; (ii) approximately HK\$2,900,000 had been used as general working capital; (iii) approximately HK\$19,414,000 was used for acquiring, remodifying and upgrading of plant and machines; and (iv) approximately HK\$9,900,000 was used for acquiring and remodifying of mould. The remaining net proceeds to be used for acquiring, remodifying and upgrading of plant and machines amounted to approximately HK\$9,586,000 as at 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 June 2017.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

Save as disclosed in this announcement, for the six months ended 30 June 2017, there was no material acquisition, disposal or investment by the Group.

DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

SEGMENT INFORMATION

Details of segment information of the Group for the six months ended 30 June 2017 are set out in Note 5 to the unaudited condensed consolidated financial statements.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the terms as contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as the Company’s code of conduct regarding securities transactions and dealings by the Directors. Upon specific enquiries of all existing Directors, each of them confirmed that they have complied with the Model Code throughout the Period.

CORPORATE GOVERNANCE

During the six months ended 30 June 2017, the Company has adopted the code provisions (the “**Code Provision(s)**”) set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules.

The Board periodically reviews the corporate governance practices of the Company to ensure its continuous compliance with the CG Code. The Company was in full compliance with the applicable Code Provisions for the six months ended 30 June 2017.

AUDIT COMMITTEE

The unaudited condensed consolidated financial statements for the six months ended 30 June 2017 have not been reviewed by the auditors of the Company. The audit committee of the Company (comprised all independent non-executive Directors) has reviewed the accounting principles, accounting standards and methods adopted by the Company together with the Group’s management, discussed the matters concerning the internal controls, as well as reviewed the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2017 and this announcement.

By Order of the Board
Jin Bao Bao Holdings Limited
Ling Zheng
Chairman and Executive Director

Hong Kong, 30 August 2017

As at the date of this announcement, the Board comprises Mr. Ling Zheng, Mr. He Xiaoming and Ms. Ngai Mei as executive Directors; Ms. Man See Yee, Ms. Bu Yanan and Mr. So Stephen Hon Cheung as independent non-executive Directors.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.