JACKIN INTERNATIONAL HOLDINGS LIMITED
輝影國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 630)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

RESULTS

The Board of Directors ("Board") of Jackin International Holdings Limited (the "Company") announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009, together with the comparative figures for the previous year, as follows.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Turnover	2	**221,394**	455,531
Cost of sales		**(304,266)**	(340,503)
Gross (loss) profit		**(82,872)**	115,028
Other revenue	3	**6,935**	6,545
Other income (loss)	3	**32**	(30)
Distribution costs		**(20,649)**	(26,499)
Administrative expenses		**(89,946)**	(96,658)
Change in fair value of derivative and embedded derivative components of a convertible bond		**12,457**	–
Reversal of impairment loss on trade receivables		**16,053**	–
Impairment losses	5	**(63,010)**	(128,369)
Loss on disposal of subsidiaries		**(17,674)**	–
Finance costs		**(37,430)**	(21,976)
Loss before taxation	4	**(276,104)**	(151,959)
Income tax expense	6	**(1,933)**	(7,828)
Loss for the year		**(278,037)**	(159,787)

* *For identification purposes only*

	Notes	2009 HK$'000	2008 HK$'000
Other comprehensive income (expense)			
Exchange differences arising on translation		**674**	1,258
Gain (loss) arising on revaluation of properties		**2,225**	(1,416)
Income tax relating to components of other comprehensive income		**(372)**	318
Other comprehensive income for the year, net of tax		**2,527**	160
Total comprehensive expense for the year		**(275,510)**	(159,627)
Loss for the year attributable to:			
– Owners of the Company		**(278,003)**	(159,787)
– Minority interests		**(34)**	–
		(278,037)	(159,787)
Total comprehensive expense attributable to:			
– Owners of the Company		**(275,476)**	(159,627)
– Minority interests		**(34)**	–
		(275,510)	(159,627)
Loss per share	*8*		
Basic		**(28.9) cents**	(20.0) cents
Diluted		**(28.9) cents**	(20.0) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**71,726**	63,740
Intangible assets		**50,346**	82,290
Goodwill		**–**	–
Deferred tax assets		**1,131**	1,132
		123,203	147,162
Current assets			
Inventories		**150,439**	223,242
Trade and other receivables	*9*	**67,681**	193,676
Consideration receivable for disposal of subsidiaries		**20,000**	–
Early redemption option of a convertible bond		**12,457**	–
Tax recoverable		**168**	155
Pledged bank deposits		**–**	1,554
Bank balances and cash		**17,835**	23,123
		268,580	441,750
Current liabilities			
Trade and other payables	*10*	**79,323**	88,457
Bank and other borrowings		**27,500**	156,938
Notes payable		**36,617**	108,367
Obligations under finance leases		**6,592**	9,879
Embedded conversion option of a convertible bond		**–**	–
Tax payable		**11,696**	10,485
		161,728	374,126
Net current assets		**106,852**	67,624
Total assets less current liabilities		**230,055**	214,786

	Notes	**2009** HK$'000	2008 HK$'000
Non-current liabilities			
Bank and other borrowings		**7,129**	21,954
Obligations under finance leases		**1,159**	7,843
Deferred tax liabilities		**7,568**	6,537
Convertible bonds		**229,103**	–
		244,959	36,334
		(14,904)	178,452
Capital and reserves			
Share capital		**109,310**	79,879
Reserves		**(124,214)**	98,573
Equity attributable to owners of the Company		**(14,904)**	178,452
Minority interests		**–**	–
		(14,904)	178,452

Notes:

1. Significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared on a going concern basis notwithstanding capital deficiency attributable to owners of the Company of approximately of HK$14,904,000 as at 31 December 2009.

In the opinion of the directors of the Company, the Group should be able to maintain itself as a going concern in the coming year by taking into consideration the proposed arrangements which include, but are not limited to, the followings:

1. subsequent to 31 December 2009, approximately HK$193,100,000 was received in cash for issuance of new ordinary shares, net of transaction cost, to an independent third party;

2. the directors of the Company anticipate that the Group will generate positive cash flows from its business; and

3. the directors of the Company have implemented measures to tighten cost controls over various distribution costs and administrative expenses and to improve the Group's cash flow position and operating results.

Accordingly, the directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2009, and the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

(b) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

However, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in relation to fair value measurements in accordance with the transitional provision set out in the amendments.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has changed the basis of measurement of the Group's segment profit or loss *(see note 2)*. However, the adoption of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments.

2. Turnover and segment information

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The key management of the Company has been identified as the chief operating decision maker. The key management reviews the Group's internal reporting in order to assess performance and allocate resources. Key management has determined the operating segments based on these reports.

The key management assesses the performance of the operating segments based on a measure of profit (loss) before tax. Other information provided to the key management is measured in a manner consistent with that in the consolidated financial statements.

The key management considers the Group has three reportable segments:

(1) remanufacture and sale of computer printing and imaging products;

(2) manufacture and sale of data media products; and

(3) distribution of data media products.

Segment revenue and results

Turnover, which is also revenue, represents the sales value of goods supplied to customers, after trade discount and sales related taxes. The following is an analysis of the Group's revenue and results, assets and liabilities by reportable segment.

For the year ended 31 December 2009

	Remanufacture and sale of computer printing and imaging products *HK$'000*	Manufacture and sale of data media products *HK$'000*	Distribution of data media products *HK$'000*	Inter-segment elimination *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Revenue						
External sales	**148,080**	**50,255**	**23,059**	**–**	**–**	**221,394**
Inter-segment sales *(note)*	**34,140**	**–**	**–**	**(34,140)**	**–**	**–**
	182,220	**50,255**	**23,059**	**(34,140)**	**–**	**221,394**
Segment (loss) profit	**(147,829)**	**3,398**	**732**	**–**	**–**	**(143,699)**
Unallocated operating income and expenses						**(89,758)**
Change in fair value of derivative and embedded derivative components of a convertible bond						**12,457**
Loss on disposal of subsidiaries						**(17,674)**
Finance costs						**(37,430)**
Loss before taxation						**(276,104)**
Income tax expense						**(1,933)**
Loss for the year						**(278,037)**

As at 31 December 2009

Assets						
Segment assets	**274,325**	**61,751**	**6,672**	**–**	**–**	**342,748**
Unallocated corporate assets						**49,035**
Total assets						**391,783**
Liabilities						
Segment liabilities	**44,589**	**15,429**	**2,518**	**–**	**–**	**62,536**
Unallocated corporate liabilities						**344,151**
Total liabilities						**406,687**

For the year ended 31 December 2008

	Remanufacture and sale of computer printing and imaging products *HK$'000*	Manufacture and sale of data media products *HK$'000*	Distribution of data media products *HK$'000*	Inter-segment elimination *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Revenue						
External sales	310,298	104,095	41,138	–	–	455,531
Inter-segment sales *(note)*	–	2,430	–	(2,430)	–	–
	310,298	106,525	41,138	(2,430)	–	455,531
Segment profit (loss)	73,318	(61,926)	(45,504)	–	–	(34,112)
Unallocated operating income and expenses						(91,265)
Finance costs						(26,582)
Loss before taxation						(151,959)
Income tax expense						(7,828)
Loss for the year						(159,787)
As at 31 December 2008						
Assets						
Segment assets	485,907	66,882	31,296	–	–	584,085
Unallocated corporate assets						4,827
Total assets						588,912
Liabilities						
Segment liabilities	66,053	21,002	5,820	–	–	92,875
Unallocated corporate liabilities						317,585
Total liabilities						410,460

Note: Inter-segment sales are charged at prevailing market prices.

Segment (loss) profit represents the (loss) profit attributable to each segment without allocation of administration expenses, directors' emoluments, loss on disposal of subsidiaries, change in fair value of derivative and embedded derivative components of a convertible bond and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Other segment information

	Remanufacture and sale of computer printing and imaging products	Manufacture and sale of data media products	Distribution of data media products	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2009					
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets	**47,042**	**–**	**–**	**–**	**47,042**
Depreciation and amortisation	**20,529**	**275**	**25**	**–**	**20,829**
Gain on disposal of property, plant and equipment	**(32)**	**–**	**–**	**–**	**(32)**
Interest income	**(39)**	**(2)**	**(33)**	**–**	**(74)**
Impairment loss on					
– inventories	**82,087**	**–**	**–**	**–**	**82,087**
– property, plant and equipment	**16,428**	**–**	**–**	**–**	**16,428**
– intangible assets	**36,125**	**–**	**–**	**–**	**36,125**
– trade and other receivables	**5,910**	**4,547**	**–**	**–**	**10,457**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Loss on disposal of subsidiaries	**–**	**–**	**–**	**17,674**	**17,674**
Change in fair value of derivative and embedded derivative components of a convertible bond	**12,457**	**–**	**–**	**–**	**12,457**
Finance costs	**22,648**	**2,587**	**28**	**12,167**	**37,430**
Income tax expense	**370**	**1,562**	**1**	**–**	**1,933**

	Remanufacture and sale of computer printing and imaging products	Manufacture and sale of data media products	Distribution of data media products	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2008					
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets	70,048	188	20	–	70,256
Depreciation and amortisation	14,604	10,843	48	150	25,645
Loss on disposal of property, plant and equipment	–	30	–	–	30
Interest income	(179)	(166)	(5)	–	(350)
Impairment loss on					
– inventories	2,987	–	–	–	2,987
– property, plant and equipment	702	58,592	–	–	59,294
– intangible assets	637	–	–	–	637
– goodwill	–	–	39,545	–	39,545
– trade and other receivables	16,068	4,206	8,619	–	28,893
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Finance costs	12,005	5,262	56	9,259	26,582
Income tax expense	3,301	4,356	171	–	7,828

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than deferred tax assets, tax recoverable, consideration receivable for the disposal of subsidiaries and early redemption option of a convertible bond; and

- all liabilities are allocated to reportable segments other than tax payable, obligations under finance leases, amounts due to directors, bank and other borrowings, other payables, notes payable, deferred tax liabilities and convertible bonds.

Geographical information

The Group's operations are mainly located in the PRC (country of domicile), including Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets *(note)*	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asia				
– the PRC including Hong Kong	**28,923**	199,864	**121,920**	145,852
– other regions	**55,762**	68,705	**–**	–
Europe	**32,865**	46,415	**10**	14
North and South America	**103,612**	140,128	**142**	164
Others	**232**	419	**–**	–
	221,394	455,531	**122,072**	146,030

Note: Non-current assets excluded deferred tax assets.

Information about major customers

Revenue from customer contributing over 10% of the total sales of the Group are derived from the remanufacture and sale of computer printing and imaging products segment in both years and are as follows:

	2009	*2008*
	HK$'000	*HK$'000*
Customer A	**42,598**	60,115
Customer B *(note)*	**28,458**	N/A

Note: The corresponding revenue does not contribute over 10% of the total sales of the Group in the respective year.

3. Other revenue and income (loss)

	2009	2008
	HK$'000	*HK$'000*
Other revenue		
Commission income	–	84
Interest income	**74**	350
Operating lease rental income in respect of plant and machinery	–	3,600
Gain on foreign exchange contracts	**227**	945
Net foreign exchange gain	–	787
Waiver of other payable	**5,911**	–
Others	**723**	779
	6,935	6,545
Other income (loss)		
Gain (loss) on disposal of property, plant and equipment	**32**	(30)

4. Loss before taxation

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Staff costs (including directors' emoluments):		
Contributions to defined contribution retirement plans	**913**	1,330
Equity-settled share-based payment expenses	–	703
Salaries, wages and other benefits	**68,295**	80,250
	69,208	82,283
Amortisation of intangible assets	**10,545**	8,038
Depreciation for		
– owned assets	**7,195**	14,594
– assets held under finance leases	**3,089**	3,013
Auditor's remuneration	**2,000**	2,786
Operating leases charges in respect of properties	**12,162**	12,895
Cost of inventories recognised as an expense	**222,179**	337,516
Impairment losses on inventories (included in cost of sales)	**82,087**	2,987

5. Impairment losses

	2009	2008
	HK$'000	*HK$'000*
Impairment losses on		
– property, plant and equipment	**16,428**	59,294
– intangible assets	**36,125**	637
– goodwill	**–**	39,545
– trade and other receivables *(note 9)*	**10,457**	28,893
	63,010	128,369

6. Income tax expense

	2009	2008
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**18**	6,052
Over-provision in prior years	**(157)**	(5,132)
	(139)	920
Current tax – PRC Enterprise Income Tax		
Provision for the year	**1,357**	2,751
Under-provision in prior years	**55**	90
	1,412	2,841
Deferred tax	**660**	4,067
	1,933	7,828

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In accordance with "Notification of the State Council on Carrying of the Transitional Preferential Policies concerning Enterprise Income Tax" (Guo Fa [2007] No. 39) promulgated by the State Council on 26 December 2007, an entity established before 16 March 2007 that was entitled to preferential tax treatment prior to the promulgation date of the EIT Law is subject to transitional tax rates beginning in 2008 before the new corporate income tax rate of 25% applies. In respect of certain PRC subsidiaries of the Group, namely Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd, 深圳利滿豐源打印耗材有限公司 (Shenzhen Afex Print Image Ltd.), 珠海利滿豐源打印耗材有限公司 (Zhuhai Afex Print Image Ltd.) which enjoyed a reduced tax rate of 15% in 2007, the transitional tax rates are 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, 2012 and onwards, respectively.

The taxation for the years are reconciled to the loss before taxation per the consolidated statement of comprehensive income using the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled is as follows:

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation	**(276,104)**	(151,959)
Tax at the domestic income tax rate	**(45,767)**	(24,961)
Tax effect of expenses not deductible for tax purpose	**43,451**	45,160
Tax effect of income not taxable for tax purpose	**(3,035)**	(5,717)
Tax effect of tax losses not recognised	**2,952**	–
Tax effect of deductible temporary differences not recognised	**4,434**	–
Utilisation of tax losses previously not recognised	**–**	(1,612)
Over-provision in prior years	**(102)**	(5,042)
Taxation for the year	**1,933**	7,828

7. Dividend

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2008: nil).

8. Loss per share

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

(i) Loss for the year attributable to owners of the Company

	2009	2008
	HK$'000	*HK$'000*
Loss for the year for the purposes of computation of basic and diluted loss per share	**(278,003)**	(159,787)

(ii) Number of ordinary shares

	2009	2008
Weighted average number of ordinary shares for the purposes of computation of basic and diluted loss per share	**963,590,597**	797,524,317

The calculation of diluted loss per share for the year ended 31 December 2009 does not assume the conversion of a subsidiary's convertible bond. The directors of the Company consider that the value of the subsidiary is lower than the exercise price as the subsidiary had consolidated net liabilities as at 31 December 2009.

The diluted loss per share for each of the year ended 31 December 2009 is the same as the basic loss per share as the conversion of the Company's outstanding convertible bonds, share option and warrants would result in a decrease in basis loss per share. The diluted loss per share for the year ended 31 December 2008 is the same as the basis loss per share as the conversion of the Company's outstanding share option and warrants would result in a decrease in basis loss per share.

9. Trade and other receivables

	2009	2008
	HK$'000	*HK$'000*
Trade and bill receivables	**64,040**	202,694
Less: impairment loss recognised on trade receivables	**(9,896)**	(22,899)
	54,144	179,795
Other deposits, prepayments and other receivables	**13,537**	19,875
Less: impairment loss recognised on other receivables	**–**	(5,994)
	67,681	193,676

The Group allows an average credit period of 60 to 180 days to its trade customers. The following is an aged analysis of trade and bill receivables (net of accumulated impairment losses) as at the reporting date.

	2009	2008
	HK$'000	*HK$'000*
Current	**11,882**	132,868
Less than 3 months past due	**7,313**	26,359
3 to 6 months past due	**297**	3,728
Over 6 months past due	**34,652**	16,840
	54,144	179,795

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$42,262,000 (2008: HK$46,927,000) 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.

	2009	2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**11,882**	132,868
Less than 3 months past due	**7,313**	26,359
3 to 6 months past due	**297**	3,728
Over 6 months past due	**34,652**	16,840
	42,262	46,927
	54,144	179,795

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

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, management believes that no impairment allowance 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.

Movement in the impairment losses of trade receivables

	2009	2008
	HK$'000	*HK$'000*
At 1 January	**22,899**	–
Impairment losses recognised	**10,457**	22,899
Amounts written off as uncollectible	**(7,407)**	–
Reversal of impairment losses	**(16,053)**	–
At 31 December	**9,896**	22,899

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK$9,896,000 (2008: HK$22,899,000). The Group did not hold any collateral over these balances.

Movement in the impairment losses of other receivables

	2009	2008
	HK$'000	*HK$'000*
At 1 January	**5,994**	–
Impairment losses recognised	**–**	5,994
Amounts written off as uncollectible	**(5,994)**	–
At 31 December	**–**	5,994

Included in the allowance for doubtful debts are individually impaired other receivables with an aggregate balance of HK$5,994,000 for the year ended 31 December 2008. The Group did not hold any collateral over these balances.

10. Trade and other payables

	2009	2008
	HK$'000	*HK$'000*
Trade and bill payables	**35,404**	48,284
Accruals and other payables	**41,200**	38,859
Amount due to a related company	**1,999**	–
Amounts due to directors	**720**	1,314
	79,323	88,457

The amount due to a related company, Titron Industries Limited ("Titron"), in which Yip Wai Lun, Alvin ("Mr. Yip") being the common director, is unsecured, interest-free and repayable on demand.

The amounts due to directors are unsecured, interest-free and repayable on demand.

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

	2009	2008
	HK$'000	*HK$'000*
By date of invoice:		
Within 3 months	**25,536**	45,950
Over 3 months but within 6 months	**4,298**	1,599
Over 6 months but within 9 months	**4,580**	–
Over 9 months but within 12 months	**685**	–
Over 1 year	**305**	735
	35,404	48,284

The average credit period on purchases of goods is 30-90 days (2008: 30-90 days). The Group has financial risk management policies in place to ensure that all payables within the credit time frame.

EXTRACT OF REPORT OF THE AUDITORS

"Basis for disclaimer of opinion

(a) Limitation of scope affecting opening balances

The former auditor of the Company issued an auditor's report dated 22 May 2009 with a "disclaimer opinion" on the consolidated financial statements of the Group for the year ended 31 December 2008 (the "2008 Auditor's Report") with scope limitations based on reasons summarised in the basis for disclaimer of opinion paragraphs therein.

We were not able to obtain sufficient reliable evidence to enable us to assess the scope limitations for the year ended 31 December 2008. Any adjustments found to be necessary to the opening balances as at 1 January 2009 may affect the results and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 31 December 2009. The comparative figures for the year ended 31 December 2008 shown in these consolidated financial statements may not be comparable with the figures for the current year.

(b) Turnover and cost of sales

As mentioned in the Company's 2008 Auditor's Report, the completeness, existence and accuracy of the sales and purchases of approximately HK$105.1 million and HK$100.8 million respectively asserted to have been undertaken by Sky City Macao Commercial Offshore Limited ("Sky City"), a wholly-owned subsidiary of the Group and the corresponding trade debtor and trade creditor balances of HK$110.0 million and HK$1.7 million as at 31 December 2008 were qualified by the former auditor of the Company.

The Group's turnover and cost of sales for the year ended 31 December 2009 included sales and purchases of approximately HK$27.8 million and HK$26.9 million respectively reported by Sky City, in addition, Sky City also reported sales return of approximately HK$28.6 million during the year in relation to sales recorded in 2008. In respect of these transactions, we were unable to rely on the Sky City's internal control system which was the same as in 2008 nor to obtain other sufficient audit evidence to satisfy ourselves as to the completeness and accuracy of the sales and purchases asserted to have been undertaken by Sky City and the sales return reported by Sky City during the year ended 31 December 2009. Sky City was disposed of during the year.

(c) ***Loss on disposal of subsidiaries***

The Group has disposed of its entire equity interest in one of its wholly-owned subsidiaries, Jackin Accessories Industrial Limited, together with and its subsidiaries including Sky City to an independent third party during the year ended 31 December 2009. Accordingly, the Group has recorded a loss on disposal of subsidiaries of approximately HK$17,674,000 for the year ended 31 December 2009. Due to the scope limitations as described in (b) above in respect of Sky City, being one of the subsidiaries disposed of, we were unable to satisfy ourselves as to the accuracy of the carrying value of the net assets of Sky City as at the date of the disposal included in the calculation of the loss on disposal of subsidiaries during the year ended 31 December 2009 and as to whether the amount of loss on disposal of subsidiaries has been accurately recorded in the consolidated statement of comprehensive income due to the impact on scope limitations in Sky City. Any adjustments to the figure would have a consequential effect on the loss of the Group for the year ended 31 December 2009.

(d) ***Cost of sales and impairment loss on inventories***

As mentioned in the Company's 2008 Auditor's Report, the accuracy and valuation of the inventories of approximately HK$204.7 million of the remanufacture and sale of computer printing and imaging products segment as at 31 December 2008 were qualified by the former auditor of the Company. Since the carrying amounts of the inventories at 1 January 2009 of this segment has direct impact on the cost of sales figure for the current year, and we could not place reliance on the remanufacture and sale of computer printing and imaging products segment's inventory system nor was it practical for us to perform other audit procedures to verify the carrying value of the Group's inventories as at 1 January 2009, we were therefore unable to obtain sufficient information to assess whether the cost of sales of this segment of approximately HK$242.4 million including impairment loss of inventories of HK$82.1 million, recognised for the year ended 31 December 2009 were free from material misstatement.

Disclaimer of opinion: disclaimer on view given by the consolidated financial statements

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2009 and of the Group's loss and cash flow for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1(a) to the consolidated financial statements which indicates capital deficiency attributable to owners of the Company of approximately HK$14,904,000 as at 31 December 2009. The Group had incurred loss attributable to owners of the Company for the year ended 31 December 2009 amounted to approximately HK$278,003,000. These conditions indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as going concern."

CHAIRMAN'S STATEMENT

Results

For the year ended 31 December 2009, the Group recorded a turnover of HK$221 million, representing a decrease of 51% compared with HK$456 million in 2008. The Group's loss attributable to equity shareholders amounted to HK$278 million in 2009 (2008: HK$160 million). Basic loss per share in 2009 was HK28.9 cents as compared with basic loss per share of HK20.0 cents in 2008.

Recycled Toner Cartridge and Computer Media Production

During the year under review, the Group managed the business of recycled toner cartridge with prudence and tightened credit control. The financial crisis has stimulated the market competition and affected the Group's business. Further impacted by the disposal of certain subsidiaries, the turnover of the business decreased to HK$221 million in 2009.

Due to the decreased trend in selling prices of remanufacture of monochrome toner cartridge products, inventory as of 31 December 2009 were impaired according to the estimated net realizable value. Such impairment loss amounted to HK$82 million was included in the cost of sales and resulted in gross loss during the year.

As a continuation to improve the efficiency and profitability of its recycled toner cartridges and computer media production operations, the Group will be persistent in implementing cost reduction measures and adopt a tight inventory management.

Introduction of Mining Business

As part of the evolution and diversification of the Group to better position and take advantage of the extensive experience of the senior management and their connections, the Group sees strong development potential in mining exploration and mineral businesses. Thus, in December 2009, the Group entered into an agreement to acquire the mining claims to a copper-gold mine, a gold mine and an iron-ore mine (“the Mines”), all located in Southern California, US, at a total consideration of approximately HK$832.25 million.

In relation and incidental to the proposed acquisition of the Mines, the Group entered into a consultancy agreement and a referral and retainer agreement with China National Gold Investment Oversea Holdings Ltd. (“China National Gold Oversea”) in December 2009. Pursuant to the consultancy agreement, China National Gold Oversea has agreed to provide certain consultancy services to the Group upon completion of the acquisition of the Mines for a term of 10 years in relation to, among other things, the exploration and development of the Mines and mining, mineral processing and metallurgy. Pursuant to the referral and retainer agreement, China National Gold Oversea has introduced to the Company the opportunity to invest in the Mines and is further engaged to provide certain advisory and consultancy services to the Company for its pre-acquisition due diligence work on the Mines.

For details of the Mines, the acquisition, the consultancy agreement and the referral and retainer agreement, please refer to the Company’s announcement dated 8 January 2010.

At present, the Group is conducting due diligence on the Mines. A technical adviser has been engaged by the Company to perform technical review on the Mines and drilling on the Mines is expected to commence in June 2010. The acquisition is expected to put forward to shareholders for voting at a general meeting by September 2010.

Embarkment of Minerals Trading Business

To further diversify from its existing business into the resources sector, the Group has entered into minerals trading business. It is backed by a management team with business knowledge and expertise in minerals trading, added with a newly recruited executive team with twenty years of experience in international minerals trading and investment evaluation of mining projects. The Group has planned to enter into the business in late 2009 and a wholly-owned subsidiary, China Metal Trading Company Limited, was set up in March 2010. The strong industry background of management with global connections, particularly in China, enable the Group to source minerals supplies and provide relevant services for clients mainly in China, as it is one of the major resources consuming countries worldwide.

We are pleased to report that the first transaction of 50,000 tonnes of nickel ore kicked off in April 2010 and its shipment will be sent by the end of the month. Targeted markets of the business include Asia (China in particular), Northern America, South Africa and Eastern Europe. It is expected that the business would expand into trading iron, coal and chromide/manganese (all related to steel making industry) in future with a view of generating respectable income and being a growth driver of the Group. Its goal is to develop a unique know-how to improve the process and efficiency of the supply methodology of the minerals trading industry. The business will also enable the Group to obtain industry knowledge and channel management understanding as a key part of strengthening core competence, which would better prepare the Group's mining business to thrive once it becomes operational.

To better reflect its new focus on the resources business, the Group intends to change its name to "Guojin Resources Holdings Limited"(「國金資源控股有限公司」) from "Jackin International Holdings Limited"(「輝影國際集團有限公司」). The name change is subject to, among other things, approval of shareholders at general meeting as soon as practicable. A separate announcement is made by the Company today on the proposed change of name.

Outlook and Prospects

With a view to diversify business, mining business has been identified by the management as one of the major business focuses of the Group in the future as it believes, leveraging on the strong alliance with the reputable industry player and Hong Kong's proximity to China, the business will present attractive investment opportunities conducive to the long term prosperity of the Group. Apart from the Mines in US proposed to acquire, Jackin will continue to explore other potential acquisition opportunities of mining properties in the future and mining related activities.

In this light, the Directors believe that commencement of the minerals trading business is an important first step to set a course of growth for the Group, with the long term goal of building businesses synergistic with the mining operations. With an experienced management team, the Group plans to build a strong minerals trading division. This will not only strengthen core competence in the mineral business but also contribute new revenue which in time is expected to add significant shareholder value.

FINANCIAL REVIEWS

Capital and Debt Structure

As at 31 December 2009, the Group's total net liabilities was approximately HK$15 million (31 December 2008: HK$178 million), representing approximately HK$193 million decrease compared with that of previous year, mainly due to the net loss for the year.

As at 31 December 2009, the Group's total bank and other borrowings plus finance lease obligations substantially decreased by HK$155 million to HK$42 million (31 December 2008: HK$197 million), of which HK$34 million was payable within one year and HK$8 million was payable after one year. Most of the Group's borrowings are denominated in Hong Kong dollars and subject to floating interest rates. Hence the risk of currency exposure was minimal. The Group's total cash and bank balances amounted to approximately HK$18 million (31 December 2008: The Group's total cash and bank balances included bank deposits pledged amounted approximately HK$23 million), representing a decrease of approximately HK$5 million.

The Group's net debt to (negative) equity ratio was kept at 20.7 (31 December 2008: 1.7), which is determined by total bank and other borrowings, notes payable and obligation under finance leases over total net (liabilities) assets.

Working Capital and Liquidity

As at 31 December 2009, the Group's current ratio and quick ratio were 1.7 and 0.7 respectively (2008: 1.2 and 0.6). Inventory turnover on sales increased to 248 days (31 December 2008: 179 days) primarily due to the drop in sales and the reassessment of the carrying amounts of the inventories. Receivable turnover decreased to 89 days (31 December 2008: 144 days).

Contingent Liabilities and Charges on the Group's Assets

The Group had pledged its assets with an aggregate net book value of HK$43 million (2008: HK$44 million) to secure bank loans granted and finance lease obligations.

Issuance of New Shares and Convertible Bonds

On 24 February 2009, a total of 50,000,000 new shares were issued pursuant to a best effort placing agreement dated 11 February 2009 and the Company received the net proceeds of approximately HK$13.8 million from the placing.

On 6 April 2009, a wholly-owned subsidiary of the Company (the "Issuer") issued and The China Fund, Inc. subscribed for convertible bonds (the "Convertible Bonds") in the aggregate principal amount of HK$177 million pursuant to a subscription agreement dated 6 March 2009 ("Agreement"). The Convertible Bonds are secured, carry interest at 12% per annum and are repayable three years after the issue date of the Convertible Bonds. Pursuant to the terms and conditions of the Convertible Bond, the Convertible Bonds are convertible into the Issuer's Shares representing 30% (but in any event not exceeding 49%) of the enlarged share capital of the Issuer.

On 6 April 2009, pursuant to the terms of the Agreement, the secured bonds of HK$78 million were fully re-purchased and their accrued interests were fully repaid upon closing.

On 21 May 2009, the Company entered into an agreement with an independent third party in relation to the subscription of 109,000,000 new shares in the share capital of the Company at the price of HK$0.195 per subscription share. The completion of the subscription took place on 29 May 2009 and the Company received the net proceeds amounted to about HK$21 million from the subscription.

On 4 September 2009, the Company issued convertible notes (the "Jackin's Convertible Notes") to an independent third party at the aggregate principal amount of HK$50 million. Assuming that the conversion rights attaching to the Jackin's Convertible Notes are exercised in full at the initial conversion price of HK$0.25 per conversion share, a total of 200,000,000 new shares of the Company will fall to be issued to the subscriber. The Jackin's Convertible Notes carries interest at 15% per annum and are repayable two years after the issue date of the Jackin's Convertible Notes.

Disposal of Subsidiaries

On 23 November 2009, the Group entered into the disposal agreement to dispose certain subsidiaries at the consideration of HK$60 million. The disposal was completed on 31 December 2009 and the consideration was received in full subsequent to the balance sheet date.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2009, the number of employees of the Group was approximately 730. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration package of employees includes salaries, insurance, mandatory provident fund and share option scheme. Other employee benefits include medical cover, housing allowance, educational allowance and discretionary bonuses.

GOING CONCERN

As at 31 December 2009, the Group resulted in capital deficiency attributable to owners of the Company of approximately HK$15 million. The Group had incurred loss for the year amounted to HK$278 million. These conditions indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as going concern. Subsequent to the balance sheet date, approximately HK$193 million was received in cash for issuance of new ordinary shares, net of transaction cost, to an independent third party; the directors of the Company anticipate that the Group will generate positive cash flows from its business; and the directors of the Company have implemented measures to tighten cost controls over various distribution costs and administrative expenses and to improve the Group's cash flow position and operating results. Accordingly, the directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as when they fall due for the next twelve months from 31 December 2009, and the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

POST BALANCE SHEET EVENTS

On 14 January 2010, the Company entered into placing agreement with placing agents for subscribing for an aggregate of 210 million new shares in the share capital of the Company at the subscription price of HK$0.95 per share (the "Placing"). The completion of the Placing took place on 21 January 2010 and the Company received the net proceeds amounted to approximately HK$193.1 million from the Placing.

On 29 January 2010, the Company granted options to subscribe for a total of 79,640,000 ordinary shares of HK$0.10 each of the Company at the subscription price of HK$0.786 per share pursuant to the Company's share option scheme adopted on 12 June 2004. The share options are exercisable from 29 January 2010 to 28 January 2012.

FINAL DIVIDEND

No payment of dividends has been proposed by the Board in respect of the year ended 31 December 2009 (2008: Nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2009, save for the following deviations:

CG Code Provision A.2.1

Under this code provision, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Ms. Ho Yin King, Helena ("Ms. Ho") was the Chairman of the Board and the Managing Director of the Company (The Company regards the role of its managing director to be same as that of chief executive officer under the CG Code) during the year ended 31 December 2009.

The Company considers that the extensive experience and marketing network established by Ms. Ho is critical for the business and future development of the Company. Hence, the Company believes that it is in the best interest of its shareholders that Ms. Ho will remain the Chairman and the Managing Director of the Company. However, as stated in previous corporate governance reports of the Company, the Company would review the current structure when and as it became appropriate. After the financial year end, the Company appointed Mr. Yip Wai Lun, Alvin as the Deputy Chairman and the Deputy Managing Director. The appointment is considered to have helped the Company comply with the code provision.

CG Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, the three independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2009.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lo Kok Kee. The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The Audit Committee has also reviewed the annual results of the Group for the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

APPRECIATION

On behalf of the Board of Directors, I would like to express appreciation to colleagues for their hard work and dedication in the past year. We will remain committed to achieving better results and maximising returns to our shareholders.

By Order of the Board
Jackin International Holdings Limited
Ho Yin King, Helena
Chairman

Hong Kong, 27 April 2010

As at the date of this announcement, Ms. Ho Yin King, Helena, Mr. Yip Wai Lun, Alvin, Mr. Ma Bo Ping, Mr. Zhou Yu Sheng and Ms. Lam Suk Ling, Shirley are the executive directors of the Company and Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lo Kok Kee are the independent non-executive directors of the Company.