BRILLIANT CIRCLE HOLDINGS INTERNATIONAL LIMITED
貴聯控股國際有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code : 1008

2013 INTERIM REPORT

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Tsoi Tak *(Chairman)*
Mr. Cai Xiao Ming, David *(Chief Executive Officer)*
Mr. Qin Song
Mr. Kiong Chung Yin, Yttox

Non-executive Director

Mr. Sean Xing He

Independent Non-executive Directors

Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Siu Man Ho, Simon

COMPANY SECRETARY

Mr. Yau Chung Hang, FCCA, CPA

AUDIT COMMITTEE

Mr. Lui Tin Nang
(chairman of the audit committee)
Mr. Lam Ying Hung, Andy
Mr. Siu Man Ho, Simon
Mr. Sean Xing He

REMUNERATION COMMITTEE

Mr. Lam Ying Hung, Andy
(chairman of the remuneration committee)
Mr. Siu Man Ho, Simon
Mr. Lui Tin Nang
Mr. Kiong Chung Yin, Yttox
Mr. Sean Xing He

NOMINATION COMMITTEE

Mr. Siu Man Ho, Simon
(chairman of the nomination committee)
Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Qin Song
Mr. Sean Xing He

AUTHORISED REPRESENTATIVES

Mr. Kiong Chung Yin, Yttox
Mr. Yau Chung Hang

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18th Floor, No. 111
Leighton Road
Causeway Bay
Hong Kong

CORPORATE WEBSITE

www.bcghk.cn

STOCK CODE

1008

LISTING DATE

30 March 2009

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Brilliant Circle Holdings International Limited (the "Company") and its subsidiaries (together the "Group"), I present the interim results for the six months ended 30 June 2013 (the "Period under Review").

During the Period under Review, the Company achieved a turnover of approximately HK$951.9 million with profits attributable to owners amounting to approximately HK$220.7 million and the basic earnings per share being approximately HK15.0 cents. During the Period under Review, the Group achieved Underlying Profit of approximately HK$240.9 million, a growth of 17.7% over the previous year. The Board did not recommend the payment of a dividend during the Period under Review.

The Company's strategy, which began implementation in the first half of 2011, has continued to show its strength in the Period under Review. Our gross margins have improved slightly as we navigate the industry's tendered pricing initiatives and successfully integrate the acquired business entities into our Group.

We are optimistic that our leading market position, the quality of our services, and our strong customer relationships will help us successfully navigate the waves of our business.

Note: Underlying profit ("Underlying Profit") is calculated as profit for the year attributable to the owners of the Company excluding the professional fees and other one-time expenses related to business combination, amortization and depreciation charges arising from business valuation.

BUSINESS REVIEW

Cigarette Package Printing

We are very pleased with the performance of our cigarette package printing business during the Period under Review. This performance was in no small part attributable to the outstanding results from our recently acquired subsidiary, Giant Sino Investments Limited and its subsidiaries (collectively referred to as "Giant Sino Group"). We are delighted to report that the profit guarantee has been met by Yangfeng Printing & Packaging Co., Ltd. Our Group's sales force continued to improve our product mix with higher tier product orders and higher average sales prices, as a result of which we achieved an increase in average sales price of approximately 20.9%.

Provision of Printing Services

Restructuring efforts at CT Printing Limited ("CTPL") continue to add to positive results from our non-cigarette printing business. We have made a conscious effort to shift our focus to premium packaging products for the market in the People's Republic of China ("PRC"), as well as reduce resources for our overseas book printing business. We expect that this strategic realignment will continue to be an area of focus for CTPL for the coming 6-12 months.

Manufacturing of Laminated Papers

Our laminated paper business experienced a strong boost in the Period under Review. Sales more than doubled, largely resulting from an adjustment in our customers' production schedule. We expect this to equalize through the remaining portion of the year, though we are hopeful that we will continue to see reasonable growth from this segment.

CHAIRMAN'S STATEMENT

Fund Raising Activities

During the Period under Review, the Company completed a HK$500,000,000 syndicated loan with a three-year tenor. This was our second syndicated loan in the past two years and represents a total of HK$1,000,000,000 raised through the debt markets by the Group. The syndication was very successful, reflecting the strength of our business and the confidence shared by our financing partners. The proceeds of the loan went towards refinancing existing indebtedness.

We will continue to evaluate our capital structure and our funding needs going forward. Our current gearing ratio remains healthy, given the strong cash generation capability of our business.

Prospects

We are also pleased to announce the extension of the business license of Changde Goldroc Rotogravure Printing Co., Ltd. ("CD Goldroc"), a joint venture between the Group and China Tobacco Hunan Investment Management Co., Ltd. ("Hunan Tobacco"). This extension will last for 10 years and symbolizes the strength of our relationship with our business partners.

Our industry consolidation has continued throughout the Period under Review. Though we did not complete any acquisitions during the Period under Review, we are satisfied with the progress of integration of previous acquisitions and we will continue to look for opportunistic acquisitions in the cigarette packages printing sector in the months and years to come.

Tsoi Tak
Chairman
22 August 2013

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

During the Period under Review, the revenue of the Group was approximately HK$951.9 million, which represents an increase of approximately HK$259.3 million or 37.5% when compared with the same period in 2012 (six months ended 30 June 2012: HK$692.6 million).

Cigarette Packages Printing Services

Revenue for cigarette packages printing services was approximately HK$808.8 million (six months ended 30 June 2012: HK$571.8 million) which represents an increase of approximately HK$237.0 million or 41.4% when compared to the same period in 2012. Such increase was primarily attributable to the revenue contributed by Giant Sino Group which was acquired in July 2012. In addition, more orders for printing high tier cigarette package were won during the Period under Review further optimizing our product mix. Hence, average sales prices grew by approximately 20.9%.

Provision of Printing services

Given the rising labour costs in the PRC and consolidating printed books markets overseas, the Group accelerated the penetration into the PRC domestic premium packaging market. The premium packaging market offers lucrative opportunities which allows the Group to maximize the return on labour utilization. Meanwhile, the Group focused on conventional hardpack and paperback books requiring little manual processing. While the turnover in printed books saw a deliberate reduction due to product mix realignment, the increase in revenue from PRC domestic packaging products more than make up the change. The total turnover showed a slight increase of approximately HK$7.7 million to HK$116.9 million (six months ended 2012: HK$109.2 million) for the Period under Review.

Manufacturing of Laminated Papers

Revenue from manufacturing of laminated papers during the Period under Review was approximately HK$26.2 million (six months ended 30 June 2012: HK$11.5 million) which represents an increase of approximately HK$14.7 million or 127.8% when compared to the same period in 2012. The boom in sales was mainly a result of managing the customer's expedited production schedule during the Period under Review.

GROSS PROFIT

During the Period under Review, gross profit increased by approximately HK$106.7 million, or 54.3%, to approximately HK$303.3 million when compared with the same period in 2012. The increase was largely attributable to the growth in revenue. Gross profit margin during the Period under Review was approximately 31.9% (six months ended 30 June 2012: 28.4%). Improvement in gross profit margin was accomplished by an improved product mix in cigarette packages printing services.

OTHER INCOME

Other income mainly represents interest income, income from sales of scrap materials, government grants and other miscellaneous income. During the Period under Review, such income increased by approximately HK$3.4 million as compared with the same period in 2012. This increase was mainly due to the receipt of government grants, which amounted to approximately HK$1.7 million during the Period under Review.

OTHER GAINS AND LOSSES

Other gains and losses mainly represent net foreign exchange gains and gain/loss on disposal of property, plant and equipment. During the Period under Review, such income decreased by approximately HK$9.4 million, which was mainly caused by the decrease in exchange gains.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the Period under Review increased by approximately HK$5.2 million or 27.2% to approximately HK$24.4 million (six months ended 30 June 2012: HK$19.2 million). Such expenses increased in line with the growth in revenue.

ADMINISTRATIVE EXPENSES

Administrative expenses during the Period under Review amounted to approximately HK$44.0 million (six months ended 30 June 2012: HK$47.3 million), which represents a decrease of approximately HK$3.3 million or 7.1% as compared with the same period in 2012. Though the expenses of Giant Sino Group were incorporated during the Period under Review, management's efforts to control costs which resulted in only an insignificant change in expenses.

OTHER EXPENSES

The other expenses amounted to approximately HK$4.5 million (six months ended 30 June 2012: HK$11.4 million) mainly represent the legal and professional fees paid and research and development costs. The decrease was primarily due to no legal and professional fees incurred for acquisition during the Period under Review (six months ended 30 June 2012: HK$6.1 million).

FINANCE COSTS

During the Period under Review, finance costs amounted to HK$57.6 million (six months ended 30 June 2012: HK$16.9 million) were incurred, which mainly represent the bank borrowings interest, interest expense on amounts due to non-controlling interests, other finance costs paid and effective interest of promissory note. The expenses increased significantly by approximately HK$40.7 million as compared to the same period in 2012 mainly due to the interest paid for the HK$500.0 million syndicated loan and interest payable for the outstanding acquisition cost of Giant Sino Group.

SHARE OF PROFIT OF AN ASSOCIATE

Share of profit of an associate during the Period under Review amounted to approximately HK$93.3 million (six months ended 30 June 2012: HK$100.0 million), which represents a decrease of approximately HK$6.7 million or 6.7%. During the Period under Review, the revenue and profit for the Period under Review of the associated company, CD Goldroc, were approximately HK$988.6 million (six months ended 30 June 2012: HK$1,026.0 million) and HK$266.6 million (six months ended 30 June 2012: HK$285.9 million) respectively.

PROFIT FOR THE PERIOD UNDER REVIEW ATTRIBUTABLE TO OWNERS OF THE COMPANY

During the Period under Review, profit attributable to the owners of the Company was approximately HK$220.7 million, representing an increase of HK$28.9 million when compared with the same period in 2012. Such growth was mainly resulting from the consolidation of the results of Giant Sino Group during the Period under Review. In addition, an increase in revenue as well as gross profit also contributed to the increase in profit attributable to the owners of the Company, despite the increase in finance costs, decrease in share of profit of an associate and increase in profit attributable to the non-controlling interest.

SEGMENT INFORMATION

During the Period under Review, the earnings from the cigarette packages printing services, provision of other printing services and manufacturing of laminated papers were approximately HK$286.8 million (six months ended 30 June 2012: HK$166.6 million), HK$8.2 million (six months ended 30 June 2012: HK$13.5 million) and HK$6.6 million (six months ended 30 June 2012: HK$1.4 million) respectively. Earnings from the cigarette packages printing services accounted for approximately 95.1% of the total segment earnings before unallocated items. The earnings from cigarette packages printing services and manufacturing of laminated papers increased by approximately 72.2% and 364.9% respectively, while the earnings from provision of other printing services decreased by approximately 39.5%.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 30 June 2013, the Group had net current assets of approximately HK$382.6 million (as at 31 December 2012: HK$83.4 million), while the Group's cash and cash equivalents amounted to approximately HK$786.0 million (as at 31 December 2012: HK$558.8 million).

As at 30 June 2013, the interest-bearing bank loans of the Group amounted to approximately HK$616.5 million (as at 31 December 2012: HK$242.9 million) and HK$580.2 million (as at 31 December 2012: HK$486.9 million), which were repayable within and after one year respectively. There were no interest-bearing obligations under finance leases (as at 31 December 2012: HK$0.3 million) and no interest-bearing promissory notes (as at 31 December 2012: HK$162.4 million) outstanding as at 30 June 2013. Carrying amounts of trade and bills receivables, property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK$30.1 million, HK$141.9 million and HK$5.6 million respectively.

As at 30 June 2013, the Group's gearing ratio represented by the amount of interest-bearing borrowings divided by shareholders equity was approximately 45.5% (as at 31 December 2012: 36.0%). The increase in the gearing ratio was mainly attributable to the increase in bank borrowings during the period. As at 30 June 2013, capital commitment of the Group for purchase of property, plant and equipment amounted to approximately HK$64.8 million (as at 31 December 2012: HK$24.4 million).

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period under Review, the business license of CD Goldroc has been agreed between its two major shareholders (i.e. Hunan Tobacco and the Group) to extend for a further period of 10 years commencing from 28 April 2013 to 27 April 2023. In relation to this transaction, the Group has agreed to dispose of 4% shareholding in CD Goldroc to Hunan Tobacco at a price based on the net asset of CD Goldroc as at 31 December 2012. The extension of the business license of CD Goldroc and the disposal are both subject to approval by the State Tobacco Monopoly Administration.

There was no material acquisition or other disposal made by the Group during the Period under Review.

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have significant contingent liabilities (as at 31 December 2012: Nil).

CAPITAL STRUCTURE

During the Period under Review, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 30 June 2013, the borrowings were mainly denominated in Hong Kong dollars, Renminbi and United States dollars ("US dollars"), while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and Renminbi. The Group's turnover is mainly denominated in Renminbi, US dollars, Pounds Sterling, Euros and Hong Kong dollars, while its costs and expenses are mainly denominated in US dollars, Hong Kong dollars and Renminbi. As the Board considers that the risk exposure to foreign exchange rate fluctuations is not significant, the Group does not have a formal hedging policy and has not entered into any material foreign currency exchange contracts or derivative transactions to hedge against its currency risks.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE SUBDIVISION

On 21 May 2013, the Board proposed to subdivide each (1) existing issued and unissued share of HK$0.01 in the capital of the Company into two (2) subdivided shares of HK$0.005 each (the "Share Subdivision"). The Share Subdivision was approved by the shareholders of the Company at the extraordinary general meeting held on 10 June 2013 and became effective on 11 June 2013.

HUMAN RESOURCES

As at 30 June 2013, the Group had 25 and 1993 full-time staff based in Hong Kong and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with appropriate laws and regulations in the PRC, The Group has also adopted a share option scheme to provide incentive or reward to eligible high-calibre employees and attract human resources that are valuable to the Group.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period under Review (six months ended 30 June 2012: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARE UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2013, the following Directors or the chief executives of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(i) The Company

Name of Director	Capacity	Number of shares held	Position	Approximate percentage of issued share capital
Mr. Tsoi Tak	Interest of controlled corporation (note 1)	274,325,278	Long	18.4%
	Beneficial owner	485,689,856	Long	32.6%
		760,015,134		51.0%
Mr. Cai Xiao Ming, David	Interest of controlled corporation (note 2)	91,441,758	Long	6.1%
Mr. Qin Song	Beneficial owner	321,062	Long	0.0%

Notes:

1. These shares are held by Profitcharm Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Tsoi Tak. By virtue of the SFO, Mr. Tsoi Tak is deemed to be interested in the entire 274,325,278 shares held by Profitcharm Limited.

2. These shares are held by Sinorise International Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Cai Xiao Ming, David. By virtue of the SFO, Mr. Cai Xiao Ming, David, is deemed to be interested in the entire 91,441,758 shares held by Sinorise International Limited.

(ii) Associated corporation

Name of associated corporation	Name of registered owner	Capacity	Position	Number of shares in the associated corporation	Approximate percentage of shareholding in the associated corporation
Profitcharm Limited	Mr. Tsoi Tak	Beneficial owner	Long	200 shares of US$1.00 each	100%

OTHER INFORMATION

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

So far as is known to the Directors and chief executives of the Company, as at 30 June 2013, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Note	Capacity	Number of shares held	Position	Approximate percentage of issued share capital
Profitcharm Limited	1	Beneficial owner	274,325,278	Long	18.4%
Sinorise International Limited	2	Beneficial owner	91,441,758	Long	6.1%
Ares BCH Holdings L.P.		Beneficial owner	183,034,214	Long	12.3%
ACOF Asia Management L.P.		Interest of controlled corporation	183,034,214	Long	12.3%
Ares Management (Cayman) Ltd.		Interest of controlled corporation	183,034,214	Long	12.3%
Partners Group Holding AG	3	Beneficial owner	50,961,240	Long	7.0%
Atlantis Capital Holdings Limited	3	Interest of controlled corporation	44,425,000	Long	6.1%
Liu Yang	3	Interest of controlled corporation	44,425,000	Long	6.1%

Notes:

1. Profitcharm Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Tsoi Tak.

2. Sinorise International Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Cai Xiao Ming, David.

3. The Board believes that the number of shares reported may not reflect the scrip dividend paid by the Company for the year ended 31 December 2012.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's shares during the Period under Review.

CORPORATE GOVERNANCE

The Company had met the relevant code provisions set out in the Corporate Governance Code based on the principles set out in Appendix 14 to the Listing Rules during the Period under Review except for the provision E.1.2 as the chairman of the Board was absent from the annual general meeting of the Company held on 3 June 2013 due to business matters.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Directors confirmed that during the Period under Review, all Directors have complied with the required standard set out in the Model Code.

SHARE OPTION SCHEME

On 4 March 2009, the shareholders of the Company had approved and adopted a share option scheme (the "Share Option Scheme"). Key terms of the Share Option Scheme are summarized below:

(i) The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

(ii) Qualifying participants of the Share Option Scheme include any employee, executive and non–executive directors, customer or supplier of goods or services to any member of the Group, consultant, adviser, manager, officer or entity that provide research, development or other technological support to the Group or its member(s).

(iii) The total number of shares in respect of which options may be granted under the Share Option Scheme is 20,000,000 shares (or 40,000,000 shares after the Share Subdivision becoming effective on 11 June 2013), being 10% of the total number of shares in issue as at 30 March 2009, the listing date on the Stock Exchange.

(iv) The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of shares in issue from time to time.

(v) Unless approved by shareholders in general meeting, the total number of shares issued and to be issued upon exercise of all options granted to any eligible participant under the Share Option Scheme in the 12 month period up to and including such further grant must not exceed 1% of the total number of shares in issue.

(vi) The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme, after which period no further option shall be granted.

(vii) A non-refundable consideration of HK$1 is payable on acceptance of the offer of grant of an option. An offer of grant of an option may be accepted by an eligible person within the date as specified in the offer letter issued by the Company, being a date not later than 21 business days from the date offer is made.

(viii) An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period (which may not expire later than 10 years from the date of the grant) to be notified by the Board at its sole discretion. There is no performance target that has to be achieved before the exercise of any option.

(ix) The subscription price must be at least the higher of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (2) the average of the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the immediately preceding five trading days; and (3) the nominal value of a Company's share.

(x) The Board is entitled at any time within 10 years between 4 March 2009 and 3 March 2019 to offer the grant of an option to any qualifying participants.

Up to the date of this report, no option under the Share Option Scheme has yet been granted by the Board.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

On 28 June 2012, the Company and a syndicate of lending banks entered into a 3-year term loan facility agreement in respect of a loan facility provided to the Company in the amount of up to HK$300 million (which was subsequently increased to HK$500 million) (the "First Facility"). The First Facility is unsecured and interest bearing with any outstanding amounts to be repaid in full on the date falling 36 months from the date of the facility agreement. The First Facility will be used for a specific acquisition of the Company, the fees and expenses in relation to such acquisition as well as financing the general corporate purposes of the Company.

On 7 June 2013, the Company and an another syndicate of lending banks entered into an another 3-year term loan facility of HK$500 million (the "Second Facility"). The Second Facility is unsecured and interest bearing with any outstanding amounts to be repaid in five instalments of 20% each on the date falling 12 months, 18 months, 24 months, 30 months and 36 months after the date of the facility agreement. The Second Facility will be used for refinancing of: (i) the payment of purchase consideration in relation to the acquisition of 60% equity interest in Giant Sino Group (as announced dated 17 April 2012); and (ii) the obligations under the promissory note issued by the Company in connection with the acquisition of the entire issued share capital of Champion League Investment Holdings Limited (as announced dated 30 May 2011).

In both the facility agreements, it will be an event of default under the First Facility and the Second Facility if the Company's controlling shareholder, Mr. Tsoi Tak, and another shareholder of the Company, Mr. Cai Xiao Ming, David, who is also a director of the Company (the "Relevant Shareholders") together hold less than 35% of the total issued shares of the Company or they cease to control the casting of more than 50% of the voting rights in a general meeting of the Company. As at the date of this report, the Relevant Shareholders beneficially own in aggregate approximately 57.2% of the total issued shares of the Company.

As it will be an event of default under the First Facility and the Second Facility if the above specific requirement in relation to the level of beneficial interest of the Relevant Shareholders in the Company is breached, in such a case the lending banks have a right to declare the First Facility and the Second Facility be cancelled and/or declare all outstanding amounts together with interest accrued and all other sums payable by the Company be immediately due and payable and/or declare all outstanding amounts be payable on demand.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial statements for the Period under Review with the Directors. In addition, the interim financial information of the Group for the Period under Review have also been reviewed by the independent auditor of the Company, Deloitte Touche Tohmatsu. The audit committee comprises the three independent non-executive Directors and one non-executive Director.

Deloitte.
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TO THE BOARD OF DIRECTORS OF BRILLIANT CIRCLE HOLDINGS INTERNATIONAL LIMITED
(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Brilliant Circle Holdings International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 13 to 32, which comprise the condensed consolidated statement of financial position as of 30 June 2013, and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 August 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Revenue	4	**951,922**	692,559
Cost of sales		**(648,591)**	(495,915)
Gross profit		**303,331**	196,644
Other income		**9,051**	5,622
Other gains and losses		**1,210**	10,592
Selling and distribution expenses		**(24,395)**	(19,177)
Administrative expenses		**(43,961)**	(47,322)
Other expenses		**(4,535)**	(11,438)
Finance costs		**(57,633)**	(16,908)
Share of profit of an associate		**93,331**	100,018
Profit before taxation		**276,399**	218,031
Taxation	6	**(28,343)**	(23,776)
Profit for the period	7	**248,056**	194,255
Other comprehensive income (expense):			
Item that will not be subsequently reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**31,225**	(31,744)
Total comprehensive income for the period		**279,281**	162,511
Profit for the period attributable to:			
Owners of the Company		**220,736**	191,859
Non-controlling interests		**27,320**	2,396
		248,056	194,255
Total comprehensive income attributable to:			
Owners of the Company		**250,489**	160,507
Non-controlling interests		**28,792**	2,004
		279,281	162,511
			(Restated)
		HK$	HK$
Basic earnings per share	9	**0.15**	0.13

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	10	**767,174**	756,623
Prepaid lease payments		**31,313**	31,411
Goodwill	11	**1,104,112**	1,095,551
Intangible assets	12	**393,951**	415,339
Interest in an associate	13	**587,497**	676,104
Deposits for property, plant and equipment		**33,754**	15,681
		2,917,801	2,990,709
Current assets			
Inventories		**152,936**	206,289
Prepaid lease payments		**1,080**	1,064
Trade and bills receivables	14	**612,313**	852,849
Other receivables, prepayments and deposits		**115,638**	36,131
Pledged bank deposits		**5,622**	5,300
Bank balances and cash		**785,979**	558,803
		1,673,568	1,660,436
Current liabilities			
Trade and bills payables	15	**165,567**	386,951
Other payables and accruals		**119,855**	131,339
Amount due to a Controlling Shareholder		**–**	113,802
Amounts due to non-controlling interests of subsidiaries		**360,067**	478,408
Bank borrowings	16	**616,495**	242,892
Promissory note		**–**	162,429
Obligations under finance leases		**–**	264
Income tax payable		**29,033**	60,972
		1,291,017	1,577,057
Net current assets		**382,551**	83,379
Total assets less current liabilities		**3,300,352**	3,074,088

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Non-current liabilities			
Bank borrowings	16	**580,177**	486,944
Deferred tax liabilities		**89,648**	104,888
		669,825	591,832
Net assets		**2,630,527**	2,482,256
Capital and reserves			
Share capital	17	**7,442**	7,325
Share premium and reserves		**2,360,867**	2,240,148
Equity attributable to owners of the Company		**2,368,309**	2,247,473
Non-controlling interests		**262,218**	234,783
		2,630,527	2,482,256

The notes on pages 13 to 32 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Statutory reserves HK$'000 (Note a)	Other reserves HK$'000 (Note b)	Dividend reserve HK$'000	Exchange reserve HK$'000	(Accumulated losses)/ Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2012	7,325	4,761,903	57,883	(3,001,899)	117,011	147,833	(175,978)	1,914,078	55,270	1,969,348
Profit for the period	–	–	–	–	–	–	191,859	191,859	2,396	194,255
Other comprehensive expense for the period	–	–	–	–	–	(31,352)	–	(31,352)	(392)	(31,744)
Total comprehensive income (expense) for the period	–	–	–	–	–	(31,352)	191,859	160,507	2,004	162,511
Final dividend paid for 2011	–	–	–	–	(117,011)	–	–	(117,011)	(6,701)	(123,712)
Transfer	–	–	18,963	–	–	–	(18,963)	–	–	–
At 30 June 2012 (unaudited)	7,325	4,761,903	76,846	(3,001,899)	–	116,481	(3,082)	1,957,574	50,573	2,008,147
At 1 January 2013	**7,325**	**4,761,903**	**76,902**	**(3,001,899)**	**172,870**	**165,609**	**64,763**	**2,247,473**	**234,783**	**2,482,256**
Profit for the period	–	–	–	–	–	–	220,736	220,736	27,320	248,056
Other comprehensive income for the period	–	–	–	–	–	29,753	–	29,753	1,472	31,225
Total comprehensive income for the period	–	–	–	–	–	29,753	220,736	250,489	28,792	279,281
Share issued as scrip dividend (Note 8)	117	43,100	–	–	(43,217)	–	–	–	–	–
Final dividend paid for 2012 (Note 8)	–	–	–	–	(129,653)	–	–	(129,653)	(1,357)	(131,010)
Transfer	–	–	30,511	–	–	–	(30,511)	–	–	–
At 30 June 2013 (unaudited)	**7,442**	**4,805,003**	**107,413**	**(3,001,899)**	**–**	**195,362**	**254,988**	**2,368,309**	**262,218**	**2,630,527**

Notes:

(a) As stipulated by the relevant laws and regulations for enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain statutory reserves. Appropriation to such reserve is made out of profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by its board of directors annually. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the PRC subsidiaries' registered capital. The statutory reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

(b) Other reserves comprised (i) the merger reserve of HK$79,000 which arose from the difference between the nominal value and premium of shares of subsidiaries acquired over the nominal value of the shares issued by the Company in exchange thereof; (ii) issue of 480,000,000 shares of the Company with fair value of HK$4,267,200,000 at 14 April 2011 to the Controlling Shareholder of the Company (defined in note 1) in exchange of its entire equity interests in Brilliant Circle Group Holdings Limited (formerly known as Brilliant Circle Holdings International Limited) (together with its subsidiaries, collectively referred to as "Brilliant Circle") which were acquired by that Controlling Shareholder (defined in note 1) at 10 September 2009 (the "Combination") using cash and certain listed shares held by him with fair value of HK$1,781,817,000 in aggregate; and (iii) an amount of HK$516,437,000 resulting from the acquisition of additional equity interests in Bengbu Jinhuangshan Rotogravure Printing Company Limited, a non-wholly owned subsidiary of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
NET CASH FROM OPERATING ACTIVITIES	**184,901**	167,916
INVESTING ACTIVITIES		
Interests received	**2,767**	2,279
Deposits paid for and purchases of property, plant and equipment	**(68,005)**	(34,826)
Dividend received from an associate	**190,851**	143,922
Proceeds from disposal of property, plant and equipment	**3,098**	1,620
Placement of pledged bank deposits	**(1,864)**	(24,585)
Withdrawal of pledged bank deposits	**1,618**	48,411
Deposit paid for acquisition of a subsidiary	**–**	(67,720)
NET CASH FROM INVESTING ACTIVITIES	**128,465**	69,101
FINANCING ACTIVITIES		
New bank loans raised, net of transaction cost of HK$9,267,000 (2012: HK$15,000,000)	**798,749**	468,291
Repayment of bank borrowings	**(338,223)**	(120,777)
Repayment to non-controlling interests of subsidiaries	**(117,425)**	–
Repayment to the Controlling Shareholder	**(113,802)**	(80,000)
Repayment of promissory note	**(190,400)**	(197,200)
Repayment of obligations under finance leases	**(264)**	(4,363)
Dividends paid to non-controlling interests	**(1,357)**	(6,701)
Dividends paid	**(129,653)**	(117,011)
NET CASH USED IN FINANCING ACTIVITIES	**(92,375)**	(57,761)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**220,991**	179,256
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**558,803**	353,743
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**6,185**	(5,385)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	**785,979**	527,614

1. GENERAL

The Company was incorporated in the Cayman Islands on 11 November 2008 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Mr. Tsoi Tak (the "Controlling Shareholder"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is 18th Floor, No. 111, Leighton Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are engaged in provision of the printing of cigarette package, manufacturing of laminated papers, printing of packages and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$") and the Company's functional currency is Renminbi ("RMB") that mainly influences the operation of the Group's significant entities.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied, for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements. HK (SIC) – INT 12 "Consolidation – Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 will result in more extensive disclosures in the Group's annual consolidated financial statement for the year ending 31 December 2013.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

The directors of the Company reviewed and assessed the application of these five standards in the current interim period and concluded that they have had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. In particular, the directors of the Company have assessed the impact on HKFRS 10 which changes the definition of control over an investee, and concluded that no material effect on the condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, the Group's statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

4. REVENUE

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue		
Printing of cigarette packages	**808,813**	571,821
Provision of printing services	**116,913**	109,246
Manufacturing of laminated papers	**26,196**	11,492
	951,922	692,559

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments currently are (i) printing of cigarette packages (ii) provision of printing services and (iii) manufacturing of laminated papers. The CODM considered the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

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

	Segment revenue Six months ended 30 June		**Segment results Six months ended 30 June**	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue and segment results:				
Printing of cigarette packages	**808,813**	571,821	**286,811**	166,575
Provision of printing services	**116,913**	109,246	**8,170**	13,497
Manufacturing of laminated papers	**26,196**	11,492	**6,579**	1,415
	951,922	692,559	**301,560**	181,487
Unallocated – other income and other gains and losses			**10,261**	16,214
Unallocated expenses			**(71,120)**	(62,780)
Finance costs			**(57,633)**	(16,908)
Share of profit of an associate			**93,331**	100,018
Profit before taxation			**276,399**	218,031

5. SEGMENT INFORMATION *(continued)*

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, share of profit of an associate, finance costs, taxation, amortisation of intangible assets, unallocated income, other gains and losses, and other expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

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

Segment assets

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
Printing of cigarette packages	**1,317,612**	1,563,081
Provision of printing services	**187,249**	205,794
Manufacturing of laminated papers	**21,973**	26,915
Total segment assets	**1,526,834**	1,795,790
Unallocated property, plant and equipment	**5,589**	19,971
Prepaid lease payments	**32,393**	32,475
Goodwill	**1,104,112**	1,095,551
Intangible assets	**393,951**	415,339
Interest in an associate	**587,497**	676,104
Deposits for property, plant and equipment	**33,754**	15,681
Other receivables, prepayments and deposits	**115,638**	36,131
Pledged bank deposits	**5,622**	5,300
Bank balances and cash	**785,979**	558,803
Consolidated assets	**4,591,369**	4,651,145

5. SEGMENT INFORMATION *(continued)*

Segment liabilities

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
Printing of cigarette packages	**124,044**	353,624
Provision of printing services	**36,356**	28,274
Manufacturing of laminated papers	**5,167**	5,053
Total segment liabilities	**165,567**	386,951
Other payables and accruals	**119,855**	131,339
Amount due to the Controlling Shareholder	**–**	113,802
Amounts due to non-controlling interests of subsidiaries	**360,067**	478,408
Bank borrowings	**1,196,672**	729,836
Obligations under finance leases	**–**	264
Income tax payable	**29,033**	60,972
Promissory note	**–**	162,429
Deferred tax liabilities	**89,648**	104,888
Consolidated liabilities	**1,960,842**	2,168,889

Segment assets represent certain property, plant and equipment, trade and bills receivables and inventories which are directly attributable to the relevant operating and reportable segment. Segment liabilities represent trade and bills payables which are directly attributable to the relevant operating and reportable segment. These are the measures reported to the CODM for the purpose of resource allocation and assessment of segment performance.

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

6. TAXATION

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax	**–**	257
The PRC Enterprise Income Tax ("EIT")	**41,436**	20,098
Withholding tax	**28,198**	18,557
Overprovision of EIT in prior years	**(25,330)**	(4,348)
Deferred taxation	**(15,961)**	(10,788)
	28,343	23,776

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2013, as the Group's subsidiaries subject to Hong Kong Profits Tax incurred tax losses for the six months ended 30 June 2013.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2012: 15% to 25%) in the PRC. Pursuant to the "Enterprise Income Tax Law for Foreign Investment Enterprises and Foreign Enterprises", some PRC subsidiaries, being a High-Tech Enterprise, were entitled to a reduced EIT rate of 15% for the years from 2012 to 2015.

Overprovision for PRC EIT in current interim period is mainly attributable to write back of provision for the PRC EIT of a PRC subsidiary made in prior year in connection with the EIT rate reduced from 25% to 15%, effective from 2012 after approval by the PRC tax bureau for a High-Tech Enterprise in the current period.

Upon the New Tax Law and Implementation Regulations, PRC withholding income tax is applicable to dividends payable to investors that are "non-PRC tax resident enterprises", which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or lower tax rate, as applicable. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries and an associate.

Deferred taxation is recognised in profit or loss in both periods on temporary differences in relation to accelerated tax depreciation and undistributed profits of subsidiaries, associate and intangible assets.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit for the period has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**2,039**	2,125
Other staff costs		
Salaries and other benefits	**66,048**	54,314
Contributions to retirement benefits schemes	**3,341**	2,879
	71,428	59,318
Cost of inventories recognised as expenses	**620,728**	486,863
Release of prepaid lease payments	**537**	406
Amortisation of intangible assets (included in cost of sales)	**22,624**	4,020
Depreciation of property, plant and equipment	**44,749**	40,743
Operating lease rentals in respect of rented premises	**6,504**	6,149
Recognition of impairment on trade receivables	**98**	–
Research and development costs recognised as an expense (included in other expenses)	**1,053**	350
Share of taxation of an associate	**16,711**	18,599
and after crediting to other income:		
Interest income	**(2,767)**	(2,279)
Processing fee income	**(2,168)**	–
Sales of scrap materials	**(1,962)**	(1,880)
Government grants (Note)	**(1,721)**	–
and after crediting to other gains and losses:		
Loss (gain) on disposal of property, plant and equipment	**990**	(457)
Net foreign exchange gain	**(2,200)**	(10,135)

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

8. DIVIDENDS

During the current interim period, a final dividend of HK23.60 cents per share, which included scrip dividend offered to shareholders, was paid in respect of the year ended 31 December 2012 (2012: HK$15.97 cents per share in respect of the year ended 31 December 2011). The aggregate amount of the final dividend declared and paid in the interim period is as follows:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Dividends:		
Cash dividend	**129,653**	117,011
Scrip dividend (Note 17)	**43,217**	–
	172,870	117,011

The directors do not recommend the payment of an interim dividend during the period ended 30 June 2013.

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings for the purpose of basic earnings per share	**220,736**	191,859

	Number of shares	
	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)/ (Restated)
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,465,652**	1,465,000

9. EARNINGS PER SHARE *(continued)*

The Company conducted a 2-for-1 stock split and issued scrip dividends effective on 11 June 2013 and 25 June 2013 respectively (as details in Note 17). The weighted average number of shares for the purpose of basic earnings per share for both periods presented are calculated based on the new number of shares and adjusted retrospectively, assuming that the stock split was conducted at the beginning of the fiscal year ended 31 December 2012.

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

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group disposed of certain plant and machinery with an aggregate carrying amount of approximately HK$4,088,000 (30 June 2012: HK$1,163,000) for cash proceeds of approximately HK$3,098,000 (30 June 2012: HK$1,620,000), resulting in a loss on disposal of approximately HK$990,000 (30 June 2012: HK$457,000).

In addition, during the current interim period, the Group paid approximately HK$49,932,000 (30 June 2012: HK$25,489,000) for the acquisition of property, plant and equipment to expand its operations which mainly included approximately HK$46,859,000 (30 June 2012: HK$17,131,000) in construction in progress.

11. GOODWILL

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
At beginning of the period/year	**1,095,551**	602,896
Arising on acquisition of subsidiaries	**–**	486,052
Exchange difference	**8,561**	6,603
At end of period/year	**1,104,112**	1,095,551

For the purpose of impairment testing, goodwill has been allocated to cash generating units ("CGUs"), comprising four subsidiaries in printing of cigarette packages segment and one subsidiary in the manufacturing of laminated paper segment. During the period ended 30 June 2013, management of the Group determines that there is no impairment of any of its CGUs containing goodwill.

12. INTANGIBLE ASSETS

	Customer relationship HK$'000
COST	
At 1 January 2012	87,025
Exchange adjustments	953
Acquired on acquisition of subsidiaries	372,095
At 31 December 2012	460,073
Exchange adjustments	1,236
At 30 June 2013	461,309
AMORTISATION	
At 1 January 2012	18,090
Charge for the year	26,644
At 31 December 2012	44,734
Charge for the period	22,624
At 30 June 2013	67,358
CARRYING VALUES	
At 30 June 2013 (unaudited)	393,951
At 31 December 2012 (audited)	415,339

Intangible assets represent customer relationship in Brilliant Circle acquired in a business combination in 2009 and the acquisition of Yang Feng Printing & Packaging Co., Ltd ("Yangfeng"), a subsidiary of Giant Sino Investments Limited in 2012. Brilliant Circle and Yangfeng have long and close business relationship with the major customers. The acquisition of the customer base has allowed the Group to stabilise the revenue base from packaging and printing business. Amortisation is provided to write off the cost of the customer relationship using the straight-line method over the estimated life of the customer relationship of 10 years.

13. INTEREST IN AN ASSOCIATE

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
Cost of investment, unlisted	**353,089**	348,198
Share of post-acquisition profits net of dividends received	**234,408**	327,906
	587,497	676,104

As at 30 June 2013 and 31 December 2012, the Group had interests in the following associate:

Name of entity	Percentage of registered capital directly held by the Group	Place of establishment/ operation	Registered capital	Principal activity
常德金鵬凹版印製有限公司 (Changde Goldroc Rotogravure Printing Co., Ltd.)	35%	PRC	RMB163,052,000	Provision for cigarette printing package services

The financial information of the Group's associate is prepared using uniform accounting policies in conformity with the accounting policies adopted by the Group. The summarised financial information in respect of the Group's associate is set out below:

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
Total assets	**1,994,318**	2,234,258
Total liabilities	**(356,052)**	(338,648)
Net assets	**1,638,266**	1,895,610
Group's share of net assets of the associate	**587,497**	676,104
Total revenue	**988,605**	2,119,743
Total profit for the period/year	**266,660**	565,048
Group's share of profits of the associate for the period/year	**93,331**	197,767

14. TRADE AND BILLS RECEIVABLES

The Group allows a credit period of 90 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
0-90 days	**585,905**	786,853
91-180 days	**21,762**	55,854
181-365 days	**3,721**	7,587
Over 365 days	**925**	2,555
	612,313	852,849

15. TRADE AND BILLS PAYABLES

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

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
0-30 days	**119,394**	292,115
31-90 days	**42,105**	76,607
91-180 days	**2,915**	17,666
181-365 days	**1,013**	224
Over 365 days	**140**	339
	165,567	386,951

16. BANK BORROWINGS

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Bank borrowings comprise:		
Secured	**316,495**	189,314
Unsecured	**880,177**	540,522
	1,196,672	729,836
Carrying amount repayable:		
Within one year	**616,495**	242,892
More than one year, but not more than five years	**580,177**	486,944
	1,196,672	729,836
Breakdown of the bank borrowings:		
Fixed-rate borrowings	**138,985**	–
Floating-rate borrowings	**1,057,687**	729,836
	1,196,672	729,836

At the end of reporting period, the ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Fixed-rate borrowings	**5.84% to 7.22%**	–
Floating-rate borrowings	**3.44% to 6.30%**	3.8% to 7.3%

17. SHARE CAPITAL

	Number of shares	Nominal value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2012, 30 June 2012, 31 December 2012	**1,000,000,000**	10,000
Increased by share split (Note a)	**1,000,000,000**	–
Ordinary shares of HK$0.005 each		
At 30 June 2013	**2,000,000,000**	10,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2012, 30 June 2012, 31 December 2012	**732,500,000**	7,325
Issued by share split (Note a)	**732,500,000**	–
Issued pursuant to scrip dividend scheme for 2012 final dividend (Note b)	**23,468,634**	117
Ordinary shares of HK$0.005 each		
At 30 June 2013	**1,488,468,634**	7,442

Notes:

(a) On 11 June 2013, the Company conducted a 2-for-1 stock split. Each then existing issued and unissued ordinary share of HK$0.01 each of the Company was subdivided into 2 ordinary shares of HK$0.005 each. Upon the completion of the share subdivision, the authorised share capital of the Company was HK$10,000,000 comprising 2,000,000,000 ordinary shares of HK$0.005 each, of which 1,465,000,000 ordinary shares are in issue and fully paid.

(b) On 25 June 2013, the Company issued and allotted a total of 23,468,634 shares of HK$1.8415 each in the Company to the shareholders as part of the 2012 final dividends pursuant to the scrip dividend scheme announced by the Company on 10 June 2013. These shares rank pari passu in all respects with other shares in issue.

18. RELATED PARTY DISCLOSURES

(a) Transactions with related company

The Group had the following significant related party transactions during the period with non-controlling interests with significant influence over the subsidiaries:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Printing of cigarette packages	**42,093**	23,795
Interest expense	**7,140**	–

(b) Balances with related parties are disclosed in the condensed consolidated statement of financial position.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short-term benefits	**3,791**	4,266
Contribution to retirement benefits schemes	**927**	79
	4,718	4,345

19. CAPITAL COMMITMENTS

At the end of reporting period, the Group had outstanding capital commitments as follows:

	30 June	31 December
	2013	2012
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**64,815**	24,417