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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF EMPEROR GREAT INVESTMENTS LIMITED

THE ACQUISITION

After trading hours of the Stock Exchange on 13 November 2014, the Company and the Seller entered into the Agreement, pursuant to which, the Company has conditionally agreed to purchase and the Seller has conditionally agreed to sell the Sale Shares for a Consideration of HK$82.4 million. The Sale Shares represent the entire issued share capital of the Target.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Target holds 40% equity interest in Giant Sino, the remaining 60% equity interest in Giant Sino is held by the Company. The Seller, through the Target, is therefore regarded as a substantial shareholder of a non-wholly owned subsidiary of the Company. Accordingly, the Seller is a connected person of the Company at the subsidiary level, and thus the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

After Completion, the Target will become a wholly-owned subsidiary of the Company and it is of the view that the PG Elimination constitutes a material variation to the terms of the 2012 SP Agreement and hence the Acquisition and the PG Elimination will be subject to independent Shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, (i) details of the Acquisition; (ii) details of the PG Elimination; (iii) a letter of recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a letter of advice from an independent financial adviser to the Independent Board Committee and the independent Shareholders in relation to the Acquisition and the PG Elimination will be despatched to the Shareholders on or before 4 December 2014.

Reference is made to the announcement of the Company dated 24 October 2014 relating to the possible acquisition of the Sale Shares by the Company from the Seller. The Board is pleased to announce that after trading hours of the Stock Exchange 13 November 2014, the Company and the Seller entered into the Agreement, pursuant to which, the Company has conditionally agreed to purchase and the Seller has conditionally agreed to sell the Sale Shares for a Consideration of HK$82.4 million.

THE AGREEMENT

Date:

13 November 2014

Parties:

(i) The Company, as purchaser; and

(ii) Prime Prestige Limited, as Seller.

Assets to be acquired:

Pursuant to the Agreement, the Company has conditionally agreed to purchase and the Seller has conditionally agreed to sell the Sale Shares, free from encumbrances together with all accrued benefits and rights attached thereto and all dividends declared, made or paid after the date of the Agreement. The Sale Shares represent the entire issued share capital of the Target. Further details of the Target are set out in the paragraph headed "Information on the Target" below.

Consideration:

The Consideration for the Sale Shares is HK$82.4 million payable in cash on 30 June 2015. In the event that the Company elects to settle the payment for the Consideration before 30 June 2015, the Consideration shall be reduced by about HK$8,890 for each day that the payment is made earlier than 30 June 2015.

The Consideration was determined after arm's length negotiations between the Company and the Seller with reference to the historical financial performance of Yangfeng for the year ended 31 December 2013 and after taking into consideration that the Company has already controlled the operation of Yangfeng and the PG Elimination.

Conditions of the Acquisition:

Completion is conditional upon the fulfilment or waiver (as the case maybe) of the following conditions:

(i) the due diligence investigation by the Company covering, among other things, the business, affairs, operations, assets and liabilities of the Target having been conducted and the results of which are to its satisfaction;

(ii) all necessary consents, authorisation, permits and approvals in relation to the Acquisition having been obtained; and

(iii) there having been no breach of any of the warranties and other provisions given by the Seller under the Agreement.

The Seller shall use its best endeavours to fulfil or procure the fulfilment of the above conditions. The Company may at its absolute discretion at any time waive in writing conditions (i) and (iii) above. If all of the above conditions have not been satisfied or waived (if applicable) by the Company and the Seller at or before 12:00 noon on 31 December 2014, the Agreement shall cease and determine and no party shall have any obligations and liabilities under the Agreement save for any antecedent breaches of the terms thereof.

Completion:

Completion shall take place on the second Business Day after fulfilment or waiver (if applicable) of the above conditions.

INFORMATION ON THE SELLER

The Seller is an investment holding company incorporated in the BVI with limited liability. The Seller owns the entire issued share capital of the Target. The ultimate beneficial owners of the Seller are the same ultimate beneficial owners of the Target under the 2012 Acquisition. The investment cost of the Target and Giant Sino Group for the Seller was approximately HK$780 and RMB55 million (equivalent to approximately HK$68.75 million) respectively.

INFORMATION ON THE TARGET

The Target is a company incorporated in the BVI with limited liability and is holding 40% equity interest in Giant Sino. Giant Sino is holding the entire issued share capital of Fortune Chaser Limited, an investment holding company incorporated in Hong Kong, which in turn holds the entire equity interest in Yangfeng. Yangfeng is principally engaged in the business of the printing of cigarette packages in the PRC. On 3 July 2012, the Company acquired 60% equity interest in Giant Sino from the Target pursuant to the 2012 SP Agreement with a view to expanding business in the PRC, details of which can be referred to in the circular of the Company dated 25 May 2012. Giant Sino Group including Yangfeng has become non-wholly owned subsidiaries of the Company since then.

The unaudited financial information of the Target (taking into account of its share of profit of Giant Sino Group) for the two financial years ended 31 December 2013 is set out below:

	Year ended 31 December 2013 *HK$'million* (unaudited)	**Year ended 31 December 2012** *HK$'million* (unaudited)
Net profits before taxation	35.75	728.15
Net profits after taxation	35.75	656.15

The unaudited net asset value of the Target as at 30 June 2014 was approximately HK$10,060.

The unaudited financial information of Giant Sino Group for the two financial years ended 31 December 2013 is set out below:

	Year ended 31 December 2013 *HK$'million*	**Year ended 31 December 2012** *HK$'million*
Net profits before taxation	135.36	279.11
Net profits after taxation	128.96	233.57

The unaudited net asset value of Giant Sino Group as at 30 June 2014 was approximately HK$125.86 million.

After Completion, the Target will become a wholly-owned subsidiary of the Company and its accounts will be consolidated into the books and accounts of the Group.

REASONS FOR THE ACQUISITION

The Company is an investment holding company with its subsidiaries principally engaged in the printing of cigarette packages for PRC cigarette manufactures and provision of printing services to customers including international publishers and multi-national corporations.

Subsequent to completion of the 2012 Acquisition, the Group benefits from the financial performance of Giant Sino Group as the profits of Giant Sino Group have been consolidated to the accounts of the Group. The Board considers that the 2012 Acquisition was in line with the development strategy of the Company. Despite the financial performance in the printing of cigarette packages segment of the Group was slightly affected in the first half of 2014 due to the short term decrease in high tier customer orders in the first quarter of 2014 brought by their stockpiling around the end of 2013, the Board considers that such situation has bottomed out in the second quarter and expects a strong recovery and is optimistic to foresee a compensating rebound in the second half of 2014 as the industry stock piled in early 2014 dwindles.

Notwithstanding that the results of this segment experienced a slight drop under strong price pressure brought by the intensifying tendering system, such pressure has been fully mitigated by the Group's ongoing cost-cutting maneuver. Through the Acquisition, the Company could acquire the remaining 40% equity interest in Yangfeng, which is indirectly owned by the Target, and take full control in operating and managing Yangfeng, which will enhance the efficiency in implementing business decisions and developing strategies relating to Yangfeng. In addition, the Company expects to generate cost saving synergies as a result of sharing of resources between the Group and the Giant Sino Group after Completion and to utilise the research and development capacity of Yangfeng efficiently.

Taking into account the above, the Board considers the Acquisition is beneficial to the Company and that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROFIT GUARANTEE UNDER THE 2012 SP AGREEMENT

Pursuant to the 2012 SP Agreement, the Target agreed to provide a profit guarantee to the Company in relation to the financial performance of Yangfeng for a period of four years from 2012 Completion Date. The profit guarantee requires that Yangfeng meet a target net profit amount each year, which grows at a rate of 5% per year, during a period of four years from 2012 Completion Date, details of which can be referred to in the circular of the Company dated 25 May 2012.

Based on the historical financial performance of Yangfeng, the Target is not required to compensate the Company for any shortfall in respect of the profit guarantee of Yangfeng given by it under the 2012 SP Agreement for the first two years from 2012 Completion Date up to 30 June 2014. As the Target will become a wholly-owned subsidiary of the Company after Completion, any payment, if required, to be made by the Target to the Company in respect of the profit guarantee in relation to the financial performance of Yangfeng for the period from 1 July 2014 to 30 June 2016 would be eliminated at the consolidated accounts of the Group.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Target holds 40% equity interest in Giant Sino, the remaining 60% equity interest in Giant Sino is held by the Company. The Seller, through the Target, is therefore regarded as a substantial shareholder of a non-wholly owned subsidiary of the Company. Accordingly, the Seller is a connected person of the Company at the subsidiary level, and thus the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

After Completion, the Target will become a wholly-owned subsidiary of the Company and it is of the view that the PG Elimination constitutes a material variation to the terms of the 2012 SP Agreement and hence the Acquisition and the PG Elimination will be subject to independent Shareholders' approval requirements.

A circular containing, among other things, (i) details of the Acquisition; (ii) details of the PG Elimination; (iii) a letter of recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a letter of advice from an independent financial adviser to the Independent Board Committee and the independent Shareholders in relation to the Acquisition and the PG Elimination will be despatched to the Shareholders on or before 4 December 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"2012 Acquisition"	the acquisition of 60% equity interest in Giant Sino by the Company as contemplated under the 2012 SP Agreement
"2012 Completion Date"	3 July 2012, being the completion date of the 2012 Acquisition
"2012 SP Agreement"	the conditional sale and purchase agreement dated 17 April 2012 entered into between the Company as purchaser and the Target as vendor in relation to the 2012 Acquisition
"Acquisition"	the proposed acquisition of the Sale Shares by the Company from the Seller pursuant to the Agreement
"Agreement"	the conditional sale and purchase agreement dated 13 November 2014 entered into between the Company as purchaser and the Seller as vendor in relation to the Acquisition
"Board"	the board of Directors

"Business Day"	a day (excluding Saturdays) on which banks in Hong Kong are generally open for business
"BVI"	British Virgin Islands
"Company"	Brilliant Circle Holdings International Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the Acquisition under the Agreement
"connected person"	has the meaning ascribed thereto in the Listing Rules
"Consideration"	the cash consideration payable for the Acquisition
"Director(s)"	director(s) of the Company
"Giant Sino"	Giant Sino Investments Limited, a company incorporated with limited liability in the BVI and owned as to 60% by the Company and 40% by the Target as at the date of the Agreement
"Giant Sino Group"	Giant Sino and its subsidiaries including Fortune Chaser Limited and Yangfeng
"Group"	the Company and its subsidiaries
"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors for the purpose of giving a recommendation to the independent Shareholders on the Acquisition and the PG Elimination
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PG Elimination"	the elimination of any payment by the Target to the Company which may arise under the profit guarantee provided by the Target pursuant to the 2012 SP Agreement to the Company at the consolidated accounts of the Group in accordance with the applicable accounting standards after the Target has become a wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

"Sale Shares"	100 ordinary shares of US$1 each in the capital of the Target representing the entire issued share capital of the Target
"Seller"	Prime Prestige Limited, a company incorporated with limited liability in the BVI and the beneficial owner of the Target
"Share(s)"	ordinary share(s) of HK$0.005 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target"	Emperor Great Investments Limited, a company incorporated with limited liability in the BVI and wholly-owned by the Seller as at the date of the Agreement
"Yangfeng"	深圳揚豐印刷有限公司 (Yangfeng Printing & Packaging Co., Ltd.*), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary of Giant Sino
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States of America

For illustration purposes only, amounts denominated in Renminbi in this announcement have been translated into Hong Kong dollars at an exchange rate of RMB1 = HK$1.25.

* *For identification purpose only*

By order of the Board
Brilliant Circle Holdings International Limited
Mr. Cai Xiao Ming, David
Chairman

Hong Kong, 13 November 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cai Xiao Ming, David (Chairman), Mr. Qin Song and Mr. Kiong Chung Yin, Yttox, one non-executive Director, namely, Mr. Sean Xing He, and three independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy and Mr. Siu Man Ho, Simon.