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**Jin Bao Bao Holdings Limited**  
**金寶寶控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 01239)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

The board (the “Board”) of directors (the “Directors”) of Jin Bao Bao Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2016 (the “Period”) together with the comparative figures for the six months ended 30 June 2015 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2016*

		<b>Six months ended 30 June</b>	
		<b>2016</b>	<b>2015</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	4	<b>99,372</b>	95,951
Cost of sales		<b>(79,947)</b>	(74,852)
Gross profit		<b>19,425</b>	21,099
Other income		<b>292</b>	335
Other losses — net	5	<b>(4,678)</b>	(15)
Selling and distribution expenses		<b>(6,546)</b>	(6,313)
Administrative expenses		<b>(10,919)</b>	(6,174)
Other operating expenses		<b>(996)</b>	(44)
(Loss)/Profit from operations		<b>(3,422)</b>	8,888
Finance costs	6	<b>(8,827)</b>	(4,033)
(Loss)/Profit before tax		<b>(12,249)</b>	4,855
Income tax expense	7	<b>(674)</b>	(2,612)
<b>(Loss)/Profit for the period</b>	8	<b>(12,923)</b>	2,243
<b>Other comprehensive expense, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		<b>(13,783)</b>	(1)
<b>Other comprehensive expense for the period, net of tax</b>		<b>(13,783)</b>	(1)
<b>Total comprehensive (expense)/income for the period</b>		<b>(26,706)</b>	2,242
<b>(Loss)/Profit for the period attributable to:</b>			
Owners of the Company		<b>(12,923)</b>	2,243
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
Owners of the Company		<b>(26,706)</b>	2,242
		<i>RMB cents</i>	<i>RMB cents</i>
<b>(Loss)/Earnings per share — basic and diluted</b>	10	<b>(0.13)</b>	0.02

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		30 June 2016	31 December 2015
	<i>Notes</i>	<b>RMB'000</b> <b>(unaudited)</b>	<b>RMB'000</b> <b>(audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		49,521	51,567
Investment property		37,325	—
Prepaid lease payments		2,561	2,599
Deferred tax assets		266	340
		<u>89,673</u>	<u>54,506</u>
<b>Current assets</b>			
Inventories		9,328	7,934
Prepaid lease payments		71	71
Trade and other receivables	11	315,092	274,945
Cash and bank balances		42,437	65,667
		<u>366,928</u>	<u>348,617</u>
<b>Current liabilities</b>			
Trade and other payables	12	36,472	23,097
Bank borrowings		500	500
Other borrowing	13	5,994	—
Amount due to the ultimate holding company	14	—	1,916
Current tax liabilities		418	898
		<u>43,384</u>	<u>26,411</u>
<b>Net current assets</b>		<u>323,544</u>	<u>322,206</u>
<b>Total assets less current liabilities</b>		<u>413,217</u>	<u>376,712</u>
<b>Non-current liabilities</b>			
Other payables	12	21,409	12,566
Deferred tax liabilities		930	856
Other borrowing	13	171,270	167,546
		<u>193,609</u>	<u>180,968</u>
<b>Net assets</b>		<u>219,608</u>	<u>195,744</u>
<b>Capital and reserves</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	15	8,126	7,958
Reserves		211,482	187,786
<b>Total equity</b>		<u>219,608</u>	<u>195,744</u>

## 1. GENERAL INFORMATION

Jin Bao Bao Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 4 January 2011 and its shares (the “Share(s)”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 18 November 2011. With effect from 27 January 2015, its parent and ultimate holding company was Trend Rich Enterprises Limited (“Trend Rich”), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Liu Liangjian. With effect from 19 January 2016, Trend Rich ceased to be the parent and ultimate holding company of the Company.

The address of the Company’s registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business in Hong Kong is Unit No. 2118, 21st Floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the design, manufacture and sale of packaging products and structural components in the People’s Republic of China (the “PRC”) and property investment.

Items included in the financial statements of each of the Group’s subsidiaries are measured using the currency of the primary economic environment in which the respective entity operates (the “functional currency”). The functional currency of the Group’s operating subsidiaries is Renminbi (“RMB”). The condensed consolidated financial statements are presented in RMB, which is different from the functional currency of the Company (i.e. Hong Kong dollars (“HK\$”). The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

## 2. BASIS OF PREPARATION

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015.

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

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

The application of the above amendments to HKFRSs for the Period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

The Directors review the Group's internal financial reporting and other information and also obtain other relevant external information in order to assess performance and allocate resources. Operating segment is identified with reference to these.

The Directors consider that the business of the Group is organised in one operating segment which is the design, manufacture and sale of packaging products and structural components in the PRC. Additional disclosure in relation to segment information is not presented as the Directors assess the performance of the sole operating segment identified based on the consistent information as disclosed in the condensed consolidated financial statements.

The total net segment income is equivalent to total comprehensive income for the six months ended 30 June 2016 as shown in the condensed consolidated statement of profit or loss and other comprehensive income and the total segment assets and total segment liabilities are equivalent to total assets and total liabilities respectively as shown in the condensed consolidated statement of financial position.

The Company is domiciled in the Cayman Islands with the Group's major operations in the PRC. All external revenues of the Group during the six months ended 30 June 2016 are attributable to customers located in the PRC.

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
<b>Revenue</b>		
Sales of packaging products and structural components	<u>99,372</u>	<u>95,951</u>

#### 5. OTHER LOSSES — NET

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net losses on disposal of property, plant and equipment	4,678	12
Net foreign exchange losses	—	3
Total	<u>4,678</u>	<u>15</u>

#### 6. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest on bank borrowings	19	72
Interest on other borrowings	8,808	3,958
Finance costs arising on early redemption of notes receivables	—	3
Total	<u>8,827</u>	<u>4,033</u>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax:		
— PRC Enterprise Income Tax (“EIT”)	681	2,055
Under provision in prior year:		
— PRC EIT	1	—
Deferred tax	(8)	557
	<u>674</u>	<u>2,612</u>
Total income tax recognised in profit or loss	<u>674</u>	<u>2,612</u>

### (i) Hong Kong

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax for the six months ended 30 June 2016 (for the six months ended 30 June 2015: Nil).

### (ii) PRC

Pursuant to relevant PRC tax laws and regulations and a written approval obtained from local tax authorities, 重慶光景包裝製品有限公司 (Chongqing Guangjing Packing Materials Co. Ltd.\*) is subject to the PRC EIT rate at 15% for the six months ended 30 June 2016 and 30 June 2015.

Other PRC subsidiaries are subject to the PRC EIT rate at 25% for the six months ended 30 June 2016 and 30 June 2015.

\* *English translation of the Chinese name of the PRC entity is for identification purpose only*

## 8. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	4,365	4,300
Amortisation of prepaid lease payments	37	37
Auditors' remuneration	220	34
Operating lease rentals in respect of premises	1,028	726
Cost of inventories recognised as an expense (including write-down recognised on inventories)	<u>51,276</u>	<u>46,579</u>
Directors' emoluments	558	153
Other employee salaries and benefits	18,327	14,541
Contributions to retirement benefits schemes, excluding those of Directors	<u>1,497</u>	<u>2,144</u>
Total employee benefits expenses	<u>20,382</u>	<u>16,838</u>

## 9. DIVIDENDS

No dividends were paid, declared or proposed during the Period, nor has any dividend been proposed since the end of the reporting period (for the six months ended 30 June 2015: Nil).

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

The calculation of basic (loss)/earnings per share is based on the loss attributable to the owners of the Company of approximately RMB12,923,000 (for the six months ended 30 June 2015: profit attributable to the owners of the Company of approximately RMB2,243,000) and the weighted average number of 10,046,153,846 ordinary shares (30 June 2015: 10,000,000,000 ordinary shares) in issue during the six months ended 30 June 2016.

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in issue during the six months ended 30 June 2016 and 30 June 2015.

## 11. TRADE AND OTHER RECEIVABLES

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Trade receivables	72,694	68,067
Notes receivables ( <i>Note</i> )	54,911	31,814
Prepayments, deposits and other receivables	187,487	175,064
Total	<u>315,092</u>	<u>274,945</u>

*Note:* Notes receivables are received from customers under the ordinary course of business. All of them are bank acceptance bills with a maturity within six months.

The above trade and other receivables are denominated in the functional currencies of the relevant group entities.

The following is an aging analysis of the Group's trade receivables (net of allowance for doubtful debts) at the end of the reporting period, presented based on the invoice date:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 90 days	65,993	55,964
91–180 days	6,377	11,834
181–365 days	213	269
Over 365 days	111	—
Total	<u>72,694</u>	<u>68,067</u>

The Group normally allows a credit period ranging from 30 days to 180 days to its trade customers with trading history, or otherwise sales on cash terms are required.

Before accepting any new customers, the Group assesses the potential customers' credit quality and defines credit limits by customers.

Trade receivables disclosed above include amounts (see below for aging analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

## Age of receivables that are past due but not impaired

	At 30 June 2016 <i>RMB'000</i> (unaudited)	At 31 December 2015 <i>RMB'000</i> (audited)
Within 90 days	—	—
91–180 days	213	269
181–365 days	111	—
Over 365 days	—	—
	<hr/>	<hr/>
Total	<b>324</b>	<b>269</b>
	<hr/> <hr/>	<hr/> <hr/>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

There was no provision for impairment losses in respect of trade receivables from third party customers at 30 June 2016 (31 December 2015: Nil).

## 12. TRADE AND OTHER PAYABLES

	At 30 June 2016 <i>RMB'000</i> (unaudited)	At 31 December 2015 <i>RMB'000</i> (audited)
<b>Current liabilities</b>		
Trade payables	31,668	18,727
Receipts in advance	35	34
Accruals	769	1,321
Other taxes payable	946	1,607
Others	3,054	1,408
	<hr/>	<hr/>
	36,472	23,097
<b>Non-current liabilities</b>		
Interest payable	21,409	12,566
	<hr/>	<hr/>
Total	<b>57,881</b>	<b>35,663</b>
	<hr/> <hr/>	<hr/> <hr/>

The above trade and other payables are denominated in the functional currencies of the relevant group entities.



The following is an aging analysis of the Group's trade payables at the end of the reporting period, presented based on the invoice date:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 90 days	30,694	17,171
91–180 days	257	407
181–365 days	—	125
Over 365 days	717	1,024
	<hr/>	<hr/>
Total	<b>31,668</b>	<b>18,727</b>
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchases of certain goods ranges from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

### 13. OTHER BORROWINGS

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
<b>Current liabilities</b>		
Other borrowing — unsecured ( <i>Note a</i> )	5,994	—
<b>Non-current liabilities</b>		
Other borrowing — secured ( <i>Note b</i> )	171,270	167,546
	<hr/>	<hr/>
Total	<b>177,264</b>	<b>167,546</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Carrying amount repayable:</b>		
Within one year	5,994	—
More than one year, but not exceeding two years	171,270	167,546
	<hr/>	<hr/>
<b>Total</b>	<b>177,264</b>	<b>167,546</b>
	<hr/> <hr/>	<hr/> <hr/>

*Notes:*

- a. The other borrowing is unsecured and bears interest at 24.00% per annum. The aforesaid borrowing is denominated in HK\$.
- b. The other borrowing is secured by the share charge over the entire issued share capital of a wholly-owned subsidiary of the Company and bears interest at 10.00% per annum. The aforesaid borrowing is denominated in HK\$.

#### 14. AMOUNT DUE TO THE ULTIMATE HOLDING COMPANY

The amount due to the ultimate holding company was interest-free, unsecured and had no fixed terms of repayment. It was repaid during the Period.

#### 15. SHARE CAPITAL

	Number of Shares '000	Nominal value of Shares HK\$'000	
<b>Authorised</b>			
Ordinary shares of HK\$0.01 each at 1 January 2015 (audited)	1,000,000	10,000	
Share subdivision ( <i>Note a</i> )	9,000,000	—	
Increase in authorised share capital ( <i>Note b</i> )	<u>190,000,000</u>	<u>190,000</u>	
Ordinary shares of HK\$0.001 each at 31 December 2015 (audited), 1 January 2016 (audited) and 30 June 2016 (unaudited)	<u>200,000,000</u>	<u>200,000</u>	
	<b>Number of Shares '000</b>	<b>Nominal value of Shares HK\$'000</b>	<b>Equivalent nominal value of Shares RMB'000</b>
<b>Issued and fully paid</b>			
Ordinary shares of HK\$0.01 each at 1 January 2015 (audited)	200,000	2,000	1,632
Share subdivision ( <i>Note a</i> )	1,800,000	—	—
Bonus issue ( <i>Note c</i> )	<u>8,000,000</u>	<u>8,000</u>	<u>6,326</u>
Ordinary shares of HK\$0.001 each at 31 December 2015 (audited) and 1 January 2016 (audited)	10,000,000	10,000	7,958
Acquisition of a subsidiary ( <i>Note d</i> )	<u>200,000</u>	<u>200</u>	<u>168</u>
Ordinary shares of HK\$0.001 each at 30 June 2016 (unaudited)	<u>10,200,000</u>	<u>10,200</u>	<u>8,126</u>

*Notes:*

- a. As disclosed in the circular of the Company dated 18 May 2015, a share subdivision on the basis that each issued and unissued share with the par value of HK\$0.01 each in the share capital of the Company had been subdivided into 10 subdivided shares with the par value of HK\$0.001 each with effective from 4 June 2015. Prior to the effective date of share subdivision, there were 200,000,000 issued shares, after the share subdivision, the number of issued shares changed to 2,000,000,000.
- b. Pursuant to an ordinary resolution passed at the Company's extraordinary general meeting held on 3 June 2015, the Company's authorised share capital increased from HK\$10,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.01 each to HK\$200,000,000 divided into 200,000,000,000 subdivided shares of HK\$0.001 each upon the share subdivision becoming effective. Details of the increase in authorised share capital were set out in the circular of the Company dated 18 May 2015.
- c. On 3 June 2015, the shareholders of the Company (the "Shareholders") approved by way of poll the bonus issue on the basis of 4 bonus shares for every 1 subdivided share held on the record date of 10 June 2015. 8,000,000,000 bonus shares with the par value of HK\$0.001 each were allotted and issued on 17 June 2015. Details of the bonus issue were set out in the circular of the Company dated 18 May 2015.
- d. On 20 May 2016, the Company allotted and issued 200,000,000 Shares with par value of HK\$0.001 each in relation to the Acquisition (as defined hereinafter) pursuant to the general mandate granted at the annual general meeting of the Company dated 28 May 2015. Details are set out in the section headed "Property Investment Business" under "Business Review" of this announcement.

## 16. OPERATING LEASES

### The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 30 June 2016 <i>RMB'000</i> (unaudited)	At 31 December 2015 <i>RMB'000</i> (audited)
Within one year	1,075	1,911
In the second to fifth years inclusive	—	—
Total	<u>1,075</u>	<u>1,911</u>

Operating lease payments represent rentals payable by the Group for warehouse and office premises. Leases are negotiated and rentals are fixed for terms ranging from one to three years (31 December 2015: one to three years). The Group does not have an option to purchase the leased asset at the expiry of the lease period.

## 17. RELATED PARTY DISCLOSURE

Save as disclosed elsewhere in the condensed consolidated financial statements, there were no other significant related party transactions and balances during the six months ended 30 June 2016 and 30 June 2015.

## 18. EVENT AFTER THE END OF THE REPORTING PERIOD

There was no material event subsequent to the end of the interim period ended 30 June 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the design, manufacture and sale of packaging products and structural components in the PRC and property investment.

#### Packaging Products and Structural Components Business

##### *Revenue*

Most of the Group's customers are leading consumer electrical appliance manufacturers in the PRC. All of the Group's revenue was derived from the sale of the Group's packaging products and structural components to the Group's customers in the PRC.

An analysis of revenue by products is as follows:

	Six months ended 30 June			
	2016		2015	
	RMB'000	%	RMB'000	%
<i>Packaging products</i>				
Televisions	29,237	29.4	30,787	32.1
Air conditioners	18,178	18.3	17,196	17.9
Washing machines	14,073	14.2	11,919	12.4
Refrigerators	16,840	16.9	16,932	17.7
Water heater	4,524	4.6	4,682	4.9
Information Technology products	10,291	10.3	7,138	7.4
Others	255	0.3	139	0.1
<i>Structural components</i>				
For air conditioners	5,974	6.0	7,158	7.5
Total	<u>99,372</u>	<u>100.0</u>	<u>95,951</u>	<u>100.0</u>

The revenue by product types remained relatively stable. For the six months ended 30 June 2016, the revenue derived from the Group's products for televisions and air conditioners (including packaging products and structural components) made the largest and second largest contributions to the Group's total revenue, amounting to approximately RMB53,389,000 or 53.7% of total revenue (for the six months ended 30 June 2015: approximately RMB55,141,000 or 57.5% of total revenue).

There was an increase in the Group's revenue of approximately RMB3,421,000 or 3.6% from approximately RMB95,951,000 for the six months ended 30 June 2015 to approximately RMB99,372,000 for the six months ended 30 June 2016, which was mainly due to the increase in purchase orders related to washing machines and information technology products placed by the Group's customers.

## *Cost of sales*

The following table sets out a breakdown of the Group's cost of sales for the periods stated:

	Six months ended 30 June			
	2016		2015	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Raw materials	<b>51,193</b>	<b>64.0</b>	46,579	62.2
Direct labour costs	<b>9,891</b>	<b>12.4</b>	8,904	11.9
Manufacturing overhead	<b>18,863</b>	<b>23.6</b>	19,369	25.9
Staff costs	<b>1,297</b>	<b>1.6</b>	1,760	2.4
Depreciation	<b>1,835</b>	<b>2.3</b>	3,925	5.2
Utilities	<b>11,172</b>	<b>14.0</b>	10,613	14.2
Processing charges	<b>3,816</b>	<b>4.8</b>	2,264	3.0
Rental expenses	<b>674</b>	<b>0.8</b>	721	1.0
Others	<b>69</b>	<b>0.1</b>	86	0.1
Total	<b>79,947</b>	<b>100.0</b>	74,852	100.0

For the six months ended 30 June 2016, the Group's cost of sales amounted to approximately RMB79,947,000, increased by approximately RMB5,095,000 or 6.8% when compared to that of approximately RMB74,852,000 for the six months ended 30 June 2015.

The operating environment for manufacturing industries remained tough. Even the revenue was recorded an increase in the current period, the Group is still facing a challenge of increasing raw material costs, manufacturing overheads and direct labour costs, as a result of the increase in commodities prices, the increase in average level of wages and general inflation in the PRC. Such increase was far more than the increment in revenue, and thus the gross profit margin decreased from approximately 22.0% for the six months ended 30 June 2015 to approximately 19.5% for the six months ended 30 June 2016.

### *Supply of raw materials*

The Group purchases raw materials and components necessary for the manufacturing of its packaging products and structural components from independent third parties. The raw materials mainly include expanded polystyrene ("EPS") and expanded polyolefin ("EPO"). The Group retains a list of approved suppliers of raw materials and components and only makes its purchases from the list. The Group has established long-term commercial relationships with its major suppliers for stable supply and timely delivery of high quality raw materials and components. The Group has not experienced any major difficulties in procuring raw materials and components necessary for the manufacture of packaging products for the six months ended 30 June 2016. The Group continues to diversify its suppliers of raw materials and components to avoid over reliance on a single supplier for any type of raw materials and components.

### *Production capacity*

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

## **Property Investment Business**

On 13 May 2016, the Company (as the purchaser) and Winning Global Holdings Limited (“Winning Global”, as the vendor) entered into the sale and purchase agreement (the “S&P Agreement”) in relation to the acquisition of the entire issued share capital of Gorgeous Assets Limited (“Gorgeous Assets”) (the “Sale Share”), and the total amount of shareholders’ loan owing by Gorgeous Assets to Winning Global under the S&P Agreement (the “Sale Loan”) at the consideration of HK\$60,000,000 (the “Consideration”), which was satisfied by the Company by allotting and issuing of a total of 200,000,000 Shares (the “Consideration Shares”) at the issue price of HK\$0.3 per Consideration Share to Winning Global (or its nominees) (the “Acquisition”). The sole asset of Gorgeous Assets is a residential property situated at One SilverSea, No. 18 Hoi Fai Road, Kowloon, Hong Kong with a gross floor area of approximately 1,568 square feet (the “Property”).

On 20 May 2016, the Acquisition was completed and a total of 200,000,000 Consideration Shares were allotted and issued (the “Completion”). After the Completion, the Property was still at vacant possession and no revenue was generated from this business segment for the six months ended 30 June 2016.

Details of the Acquisition have been disclosed in the announcements of the Company dated 13 May 2016 and 16 May 2016 respectively.

## **FUTURE OUTLOOK**

As the business and financial performance of the existing business of the Group has been adversely affected by the uncertain global economic environment in the Period and the tough operating environment for manufacturing industries in the PRC, the Company therefore from time to time seeks attractive investment opportunities to broaden and diversify its income source and to accelerate the Group’s business and earnings growth and long-term development. In order to capture any investment opportunities in a timely manner, the Company will continue to explore fund raising opportunities that may arise in the market to raise sufficient funds to achieve such purpose. With respect to the Property acquired by the Company in May 2016, the Directors are of the view that the Group may be benefited from any long term capital gain if the Property appreciates in value in the future as well as possible stable rental income in the future.

## **FINANCIAL REVIEW**

### **Financial results**

For the six months ended 30 June 2016, the Group recorded the revenue of approximately RMB99,372,000, representing an increase of approximately RMB3,421,000 or 3.6% as compared to that of approximately RMB95,951,000 for the six months ended 30 June 2015.

Loss attributable to owners of the Company was approximately RMB12,923,000 for the six months ended 30 June 2016, decreased by approximately RMB15,166,000 when compared to profit of approximately RMB2,243,000 for the six months ended 30 June 2015.

Basic and diluted loss per share was RMB0.13 cents and RMB0.13 cents respectively for the six months ended 30 June 2016 (for the six months ended 30 June 2015: basic and diluted earnings per share of RMB0.02 cents and RMB0.02 cents respectively).

## **Liquidity and Financial Resources**

As at 30 June 2016, bank balances and cash of the Group amounted to approximately RMB42,437,000 of which approximately 10.3% was denominated in HK dollars and the rest was denominated in RMB (31 December 2015: approximately RMB65,667,000 of which approximately 2.5% was denominated in HK dollars and the rest was denominated in RMB).

As at 30 June 2016, the Group's bank borrowings of approximately RMB500,000 had variable interest rates and were repayable within one year, which were secured by the Group's buildings and prepaid lease payments (31 December 2015: approximately RMB500,000). As at 30 June 2016 and 31 December 2015, all of the bank borrowings were denominated in RMB.

As at 30 June 2016, the Group's other borrowings of (i) approximately RMB171,270,000 (31 December 2015: approximately RMB167,546,000) had fixed interest rate at 10% per annum and was repayable more than one year but not exceeding two years, which was secured by the entire issued share capital of a wholly-owned subsidiary of the Company; and (ii) approximately RMB5,994,000 (31 December 2015: Nil) had fixed interest rate at 24% per annum and was repayable within one year, which was unsecured. The aforesaid borrowings were denominated in HK\$.

### **Capital structure**

On 20 May 2016, the Company allotted and issued 200,000,000 Shares with par value of HK\$0.001 each in relation to the Acquisition pursuant to the general mandate granted at the annual general meeting of the Company dated 28 May 2015. As at 30 June 2016 and the date of this announcement, a total of 10,200,000,000 Shares with par value of HK\$0.001 each are in issue. Details are set out in the section headed "Property Investment Business" under "Business Review" of this announcement.

### **Capital expenditure**

Capital expenditure of the Group mainly includes the purchase of properties, plants and equipment. During the Period, capital expenditure of the Group amounted to approximately RMB3,911,000 (for the six months ended 30 June 2015: approximately RMB3,997,000).

### **Capital commitment**

As at 30 June 2016, the Group had capital commitment of approximately RMB2,883,000 (31 December 2015: approximately RMB9,022,000).

### **Contingent liabilities**

As at 30 June 2016, the Group had no material contingent liabilities (31 December 2015: Nil).

### **Pledge of Assets**

The Group had pledged (i) assets of buildings and prepaid lease payments to the bank in the amount of approximately RMB3,205,000 as at 30 June 2016 (31 December 2015: approximately RMB3,550,000); and (ii) the entire issued share capital of a wholly-owned subsidiary of the Company to the lender as at 30 June 2016 and 31 December 2015.

### **Gearing ratio**

As at 30 June 2016, the gearing ratio was 0.81, (31 December 2015: 0.86), which was measured on the basis of the Group's total borrowings divided by total equity.

## **Foreign exchange risk**

Substantially all the Group's sales and purchases are denominated in the functional currency of the operating units making the sales (i.e. RMB), and substantially all the costs are denominated in the units' functional currency. Accordingly, the Directors consider that the Group is not exposed to significant foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the Group's management continues to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

## **USE OF PROCEEDS FROM THE PLACING AND PUBLIC OFFER**

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

The proceeds received by the Company from the Placing and Public Offer, after deducting the relevant costs of the Placing and Public Offer, amounted to approximately HK\$44,500,000 in total. As at 30 June 2016, the Group had used net proceeds of approximately HK\$24,308,000, of which (i) approximately HK\$2,700,000 had been used for the repayment of bank loan; (ii) approximately HK\$2,900,000 had been used as general working capital; (iii) approximately HK\$8,808,000 was used for acquiring, remodifying and upgrading of plant and machines; and (iv) approximately HK\$9,900,000 was used for acquiring and remodifying of mould. The remaining net proceeds to be used for acquiring, remodifying and upgrading of plant and machines amounted to approximately HK\$20,192,000 as at 30 June 2016.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2016.

## **ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT**

Save as disclosed in this announcement, for the six months ended 30 June 2016, there was no material acquisition, disposal or investment by the Group.

## **DIVIDENDS**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2016 (for the six months ended 30 June 2015: Nil).

## **SEGMENT INFORMATION**

Details of segment information of the Group for the six months ended 30 June 2016 are set out in Note 4 to the unaudited condensed consolidated financial statements.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

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



## CORPORATE GOVERNANCE

During the six months ended 30 June 2016, the Company has adopted the code provisions (the “Code Provision(s)”) set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules.

The Board periodically reviews the corporate governance practices of the Company to ensure its continuous compliance with the CG Code. The Company was in compliance with the applicable Code Provisions for the six months ended 30 June 2016, except for the details set out below.

Code Provision A.2.1 states that the roles of chairman and chief executive should be separated and should not be performed by the same individual. On 5 March 2015, Mr. Liu Liangjian (“Mr. Liu”) was appointed to act as the chairman and the chief executive officer of the Company. Mr. Liu was responsible for the overall business strategy and development and management of the Group. The Board meets regularly to consider major matters affecting the operations of the Group. The Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions, complement the role of the chairman and the chief executive. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently.

The Company understands the importance to comply with the Code Provision A.2.1 and continues to consider the feasibility of appointing a separate chief executive. On 22 January 2016, Mr. Liu has resigned as the chairman, the executive Director and the chief executive officer of the Company and Ms. Xie Yan has been appointed as the chairperson and the executive Director of the Company. Since then, the Company is in compliance with the Code Provision A.2.1.

## AUDIT COMMITTEE

The unaudited condensed consolidated financial statements for the six months ended 30 June 2016 have not been reviewed by the auditors of the Company. The audit committee of the Company (comprised all independent non-executive Directors) has reviewed the accounting principles, accounting standards and methods adopted by the Company together with the Group’s management, discussed the matters concerning the internal controls, as well as reviewed the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2016 and this announcement.

By Order of the Board  
**Jin Bao Bao Holdings Limited**  
**Xie Yan**  
*Chairperson and Executive Director*

Hong Kong, 25 August 2016

*As at the date of this announcement, the Board comprises Ms. Xie Yan and Mr. He Xiaoming as executive Directors; Mr. Lee Chi Hwa, Joshua, Mr. Lam Chi Wai and Mr. Chan Chun Kau as independent non-executive Directors.*

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