Jin Cai Holdings Company Limited
金彩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1250

INTERIM REPROT 2014

Contents

Financial Highlights

The board of directors (individually, a "Director", or collectively, the "Board") of Jin Cai Holdings Company Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2014 together with the comparative figures for the corresponding period in 2013.

- Revenue for the six months ended 30 June 2014 increased by approximately 28.3% to approximately RMB88.6 million as compared with the same period in 2013.

- Gross profit for the six months ended 30 June 2014 increased by approximately 29.9% to approximately RMB34.6 million as compared with the same period in 2013.

- Gross profit margin for the six months ended 30 June 2014 increased by approximately 0.5 percentage point to approximately 39.1% as compared with the same period in 2013.

- Profit and total comprehensive income increased by approximately 104.1% from approximately RMB8.0 million for the six months ended 30 June 2013 to approximately RMB16.3 million for the six months ended 30 June 2014.

- Total trade and bills receivables turnover days decreased from approximately 220.6 days for the year ended 31 December 2013 to approximately 196.3 days for the six months ended 30 June 2014.

- Total trade and bills payables turnover days increased from approximately 216.2 days for the year ended 31 December 2013 to approximately 216.3 days for the six months ended 30 June 2014.

- Average inventories turnover days decreased from approximately 43.5 days for the year ended 31 December 2013 to approximately 41.6 days for the six months ended 30 June 2014.

Notes:

(i) Total trade and bills receivables turnover days were derived from dividing the average of the opening and ending balances of total trade and bills receivables of the Group for the year/period by the revenue for the year/period and multiplied by the number of days for the year/period (365 days for the year ended 31 December 2013 and 181 days for six months ended 30 June 2014).

(ii) Total trade and bills payables turnover days were derived from dividing the average of the opening and ending balances of total trade and bills payables of the Group for the year/period by the cost of sales for the year/period and multiplied by the number of days for the year/period (365 days for the year ended 31 December 2013 and 181 days for six months ended 30 June 2014).

(iii) Average inventories turnover days were derived from dividing the average of the opening and ending balances of inventories of the Group for the year/period by the cost of sales for the year/period and multiplied by the number of days for the year/period (365 days for the year ended 31 December 2013 and 181 days for six months ended 30 June 2014).

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Huang Li
Mr. Zheng Hua

Non-executive Director

Mr. Huang Chao

Independent Non-executive Directors

Mr. Zeng Shiquan
Professor Lam Sing Kwong Simon
Mr. Tam Tak Kei Raymond

COMPANY SECRETARY

Ms. Lam Kit Yan FCPA

REGISTERED OFFICE

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No.21 Jianlong Street, Bao'an Community
Henggang Sub-district, Longgang District
Shenzhen City, Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2312, Tower One, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

AUDIT COMMITTEE

Mr. Tam Tak Kei Raymond *(Chairman)*
Mr. Huang Chao
Professor Lam Sing Kwong Simon

REMUNERATION COMMITTEE

Professor Lam Sing Kwong Simon *(Chairman)*
Mr. Huang Chao
Mr. Zeng Shiquan

NOMINATION COMMITTEE

Ms. Huang Li *(Chairman)*
Mr. Tam Tak Kei Raymond
Mr. Zeng Shiquan

CORPORATE WEBSITE ADDRESS

www.jincaiholding.com

AUTHORISED REPRESENTATIVES

Ms. Huang Li
Ms. Lam Kit Yan

COMPLIANCE ADVISER

First Shanghai Capital Limited
19th Floor
Wing On House
71 Des Voeux Road Central
Hong Kong

PRINCIPAL BANKERS

Ping An Bank Company Ltd.
China Construction Bank Corporation
China Merchants Bank
Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street, PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Loong & Yeung
Suites 2001-2006, 20th Floor
Jardine House, 1 Connaught Place
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

Chairman's Statement

Dear shareholders:

On behalf of the Board, I am pleased to present the interim report of the Group for the six months ended 30 June 2014.

During the period under review, the balanced growth of the PRC's economy provided support to the development of cigarette industry. A further growth in the already substantial smoking population in the PRC created higher market demand for high-end cigarettes, driving a steady increase in the unit price of cigarettes. It has given greater room for future development of cigarette packaging industry. Therefore, leveraging its leading position in Jiangxi Province, the PRC as a cigarette packaging supplier, the Group seized the opportunity of market growth by expanding its sales network and diversifying product mix in order to reinforce its leadership in existing markets.

For the six months ended 30 June 2014, revenue of the Group was approximately RMB88.6 million, an increase of approximately 28.3% when compared with the same period in 2013. Gross profit increased by approximately RMB8.0 million to approximately RMB34.6 million. Gross profit margin increased by approximately 0.5 percentage point to approximately 39.1%. Profit and total comprehensive income amounted to approximately RMB16.3 million, having increased by approximately 104.1%. Basic earnings per share attributable to owners of the Company was approximately RMB0.05. The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2014.

During the six months ended 30 June 2014, the production capacity of the Group was 300,000 cases per annum. The Group adopted lean management to enhance operation efficiency and production, thereby boosting sales growth. In the future, the Group will continue to improve the production facilities, enhance production capacity and economies of scale. Upon the completion of the construction of Huizhou production base phase II, the production facilities in Shenzhen production base will be moved to the Huizhou production base.

Looking ahead, the upgrade of cigarette products will definitely stimulate the demand for packaging and will hence enhance the quality of cigarette packaging. This will drive up the selling price of cigarettes packages gradually. Moreover, the demand for cigarette brands with higher quality and better design rises continuously, creating growth potential to the paper packaging industry in the future. In order to cater the market needs and further enlarge the market share, the Group will continue to enhance design and development capabilities.

I would like to express my gratitude to the continuous support of all the shareholders, investors and customers. The Group's management team and all staff members will persist in striving for better results and bringing magnificent returns to the shareholders.

HUANG Li
Chairman

Hong Kong, 22 August 2014

INDUSTRY REVIEW

With the continued growth in the national economy and consumption, domestic demand for cigarettes witnessed a sustained growth. While the cigarette industry further expanded, it has been undergoing a consolidation initiated by the PRC government in recent years. According to the findings in China Cigarette Industry Report (2014-2018), Brand Competitive Landscape and Leading Enterprises published by Forward's Industry Research Institute, the number of cigarette brands in the PRC gradually decreased from 1,183 in 2001 and 138 in 2009, to 90 in 2013. In the first five months of 2014, total sales volume of the 28 key cigarette brands exceeded 18.9 million cases, representing an increase of 130,000 cases, and accounted for 84% of the total sales volume in the country. Consolidation of the cigarette industry will create both opportunities and challenges to the market. However, cigarette packaging manufacturers with solid relationship with leading cigarette manufacturers are expected to benefit from the increase of purchase orders from customers.

In addition, the PRC government continues to encourage cigarette manufacturers to develop high-end products with higher-quality packaging, such as ink packaging in combination of various printing technologies. Therefore, market now has an urge for higher technology level of packaging manufacturers. Small and middle-sized manufacturers will not be able to fulfil the higher packaging standards set by first-tier or second-tier cigarette manufacturers without technology advancements. The Group anticipates that the PRC cigarette market will experience an industry upgrade and focus on developing high-quality products with higher prices and better packaging.

BUSINESS REVIEW

The Group is principally engaged in the design, printing and sale of cigarette packages in the PRC. Products of the Group mainly include paper cigarette packages for four cigarette brands, two of which are among the 30 key cigarette brands across the national market (重點骨幹卷煙品牌) identified by the State Tobacco Monopoly Administration (中國國家煙草專賣局) in 2008. Products of the Group are primarily sold to provincial tobacco industrial companies (省級中煙工業公司) which are state-owned cigarette manufacturers in the PRC. Four of the state-owned provincial tobacco industrial companies in the PRC were the major customers of the Group and all of the Group's sales were made to customers in the PRC during the six months ended 30 June 2014.

As stated in the "Industry Overview" section in the prospectus of the Company dated 24 June 2013 (the "Prospectus"), the PRC possessed the largest smoking population in the world, which accounted for over one-third of the world's smoking population as in 2012. China was also the largest cigarette manufacturer, representing over 40% of the global production volume. Such findings show that the market demand for cigarettes is still on the rise. Industry players will achieve sustainable development in the future as worldwide smoking population is expected to increase along with the strong market demand for tobacco products, notwithstanding the constraints to be imposed by legislation, government policies and market changes. Moreover, with the PRC government advocating a consolidation of the domestic cigarette industry, cigarette manufacturers strive to develop higher-end products, thereby boosting the overall market prices. Being a leading cigarette packaging supplier in Jiangxi Province of the PRC, the Group will enhance its competitive edges in the long-term through expanding sales network, diversifying product mix and other initiatives; whilst fostering a remarkable growth in the 2014 interim results.

The Group maintained its growth momentum in revenue with the support of the increase of cigarette packaging orders from existing customers. During the six months ended 30 June 2014, revenue from the sale of cigarette packaging amounted to approximately RMB88.6 million. A continuous upgrade of the entire cigarette industry in the country, especially for those leading brands, has been mapped out by the PRC government for enhancing profitability and competiveness. Such upgrade will create a steady growth in average prices of cigarette and thus will lead to a higher growth in the market value of the cigarette industry than the retail volume.

Management Discussion and Analysis

FINANCIAL PERFORMANCE

Revenue

For the six months ended 30 June 2014, the Group's revenue was approximately RMB88.6 million, which represented an increase of approximately RMB19.6 million or approximately 28.3% as compared with the same period in 2013.

The following table sets forth the breakdown of the Group's revenue for the six months ended 30 June 2014 and 2013:

Cigarette brand

	Six months ended 30 June			
	2014 (unaudited) RMB'000	**%**	2013 (unaudited) RMB'000	%
Cigarette Brand A	**62,877**	**70.9%**	47,621	68.9%
Cigarette Brand B	**16,721**	**18.9%**	10,622	15.4%
Cigarette Brand C	**4,677**	**5.3%**	3,999	5.8%
Cigarette Brand D	**3,419**	**3.9%**	5,410	7.8%
Others	**935**	**1.0%**	1,416	2.1%
	88,629		69,068	

Note: Cigarette Brand A, B, C and D are cigarette brands manufactured by four of the Group's provincial tobacco industrial company customers respectively.

Revenue from Cigarette Brand A was approximately RMB62.9 million for the six months ended 30 June 2014, representing approximately 70.9% of the total revenue which remained relatively stable as compared with the six months ended 30 June 2013. Revenue from Cigarette Brand B increased from approximately RMB10.6 million for the six months ended 30 June 2013 to approximately RMB16.7 million for the six months ended 30 June 2014. The increase was due to the increase in orders for cigarette packages placed during the six months ended 30 June 2014. Revenue from Cigarette Brand C was approximately RMB4.7 million for the six months ended 30 June 2014, representing approximately 5.3% of the total revenue which remained stable as compared with the six months ended 30 June 2013. Revenue from Cigarette Brand D decreased from approximately RMB5.4 million for the six months ended 30 June 2013 to approximately RMB3.4 million for the six month ended 30 June 2014 as a result of decrease in orders for cigarette packages placed to the Group.

Gross profit and gross profit margin

Gross profit of the Group increased by approximately 29.9% from approximately RMB26.7 million for the six months ended 30 June 2013 to approximately RMB34.6 million for the six months ended 30 June 2014. The Group's gross profit margin was approximately 39.1% for the six months ended 30 June 2014 which increased by approximately 0.5 percentage point as compared to approximately 38.6% for the same period in 2013.

Other income and gains

Other income and gains for the six months ended 30 June 2014 mainly referred to gains from sale of scrap materials and interest income. For the six months ended 30 June 2014, other income and gains of the Group decreased from approximately RMB694,000 to approximately RMB277,000 as compared with the same period in 2013. The decrease was mainly attributable to a government grant of RMB600,000 obtained by 深圳大洋洲印務有限公司 (Shenzhen Oceania Printing Company Limited) ("Shenzhen Oceania"), an indirectly wholly-owned subsidiary of the Company during the six months ended 30 June 2013, while no such income was recognized during the six months ended 30 June 2014.

Selling and distribution expenses

Selling and distribution expenses of the Group was approximately RMB1.8 million for both the six months ended 30 June 2014 and 2013. Selling and distribution expenses mainly included delivery expenses, staff costs and travelling expenses.

Administrative expenses

Administrative expenses of the Group increased by approximately RMB2.7 million or approximately 49.5% from approximately RMB5.5 million for the six months ended 30 June 2013 to approximately RMB8.2 million for the six months ended 30 June 2014. The increase was primarily attributable to the increase in Company's regulatory expenses, staff costs, legal and professional fees, business development and entertainment expenses and travelling expenses.

Listing expenses

During the six months ended 30 June 2013, the Group incurred expenses in relation to the listing of the shares of the Company on the Main Board of the Stock Exchange of approximately RMB5.6 million, which were primarily professional fees in connection with the listing. There were no such fees during the six months ended 30 June 2014.

Finance costs

Finance costs of the Group decreased from approximately RMB884,000 for the six months ended 30 June 2013 to approximately RMB800,000 for the six months ended 30 June 2014. The decrease was the result of the decrease in the average balances of bank borrowings of the Group during the period under review.

Taxation

The Group's income tax increased by approximately RMB2.2 million from approximately RMB5.6 million for the six months ended 30 June 2013 to approximately RMB7.8 million for the six months ended 30 June 2014. The increase in income tax of the Group was mainly due to the increase in profit before taxation generated by Shenzhen Oceania. The effective tax rate of the Group was approximately 32.4% for the six months ended 30 June 2014, which decreased by 8.8 percentage points when compared with approximately 41.2% for the six months ended 30 June 2013. The decrease was mainly attributable to the increase in the profit before taxation of Shenzhen Oceania during the period under review.

Profit and total comprehensive income

As a result of the foregoing, profit and total comprehensive income of the Group increased by approximately 104.1% from approximately RMB8.0 million for the six months ended 30 June 2013 to approximately RMB16.3 million for the six months ended 30 June 2014.

LIQUIDITY AND FINANCIAL RESOURCES

The Group recorded net current assets of approximately RMB104.0 million as at 30 June 2014, compared with net current assets of approximately RMB122.0 million as at 31 December 2013. The decrease in net current assets was principally due to the dividend payable balance of approximately RMB11.4 million as at 30 June 2014. The Group maintained a healthy liquidity position during the period under review. The Group's operations were principally financed by internal resources and bank borrowings during the period under review.

As at 30 June 2014, the cash and cash equivalents of the Group amounted to approximately RMB89.8 million denominated in Hong Kong Dollars ("HK$") and RMB, compared with approximately RMB102.1 million as at 31 December 2013. Such decrease was mainly due to the cash used in investing activities.

For the six months ended 30 June 2014, the Group's net cash from operating activities, net cash used in investing activities and net cash from financing activities amounted to approximately RMB24.9 million, RMB38.7 million and RMB1.5 million respectively. For the six months ended 30 June 2013, the Group's net cash from operating activities, net cash from investing activities and net cash from financing activities amounted to approximately RMB22.4 million, RMB2.9 million and RMB2.6 million respectively.

Borrowings and gearing ratio

Total interest-bearing borrowings of the Group as at 30 June 2014 were RMB30 million (31 December 2013: RMB24 million), which were denominated in RMB with effective interest rate of 7.8% (31 December 2013: 7.8%). All these borrowings are at floating interest rate and repayable within one year. The Group's gearing ratio, derived by dividing total bank borrowings by the sum of total bank borrowings and total equity as at the end of the year/period and multiplied by 100%, increased from approximately 10.9% as at 31 December 2013 to approximately 13.3% as at 30 June 2014. The increase in gearing ratio was due to the increase in bank borrowing of the Group as at 30 June 2014. As at 30 June 2014, the Group had unutilised banking facilities of approximately RMB32.2 million.

Capital expenditure

During the six months ended 30 June 2014, the Group's total capital expenditure amounted to approximately RMB2.5 million (six months ended 30 June 2013: approximately RMB7.7 million), which was mainly used in purchase of motor vehicles and equipment.

Charge on assets

As at 30 June 2014, the Group had pledged bank deposits of approximately RMB25.6 million (31 December 2013: approximately RMB13.8 million) to a bank in the PRC to secure banking facilities granted to the Group.

Contingent liabilities

As at 30 June 2014, the Group did not have any significant contingent liabilities (31 December 2013: Nil).

Foreign Exchange Risk

The Group's transactions were mainly conducted in RMB, the functional currency of the Group, and the major receivables and payables are denominated in RMB. The Group's exposure to foreign currency risk related primarily to certain bank balances and cash, other receivables, other payables and dividend payable maintained in Hong Kong Dollars. The Group did not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business during the six months ended 30 June 2014.

Significant investments, material acquisition and disposal of subsidiaries and associated companies

As described in the Company's announcement dated 3 June 2014, Shenzhen Oceania entered into the joint venture agreement (the "JV Agreement") with some joint venture partners on 3 June 2014 for the establishment of a joint venture company, namely 深圳市鵬鼎創盈金融信息服務股份有限公司 (Shenzhen Peng Ding Chuang Ying Financial Information Services Stock Company Limited) ("Shenzhen Peng Ding Chuang Ying"), in the PRC which will be engaged in internet-based financial services business in the PRC. Pursuant to the JV Agreement, Shenzhen Oceania has agreed to subscribe for an aggregate of 20,000,000 shares of Shenzhen Peng Ding Chuang Ying by a total capital contribution of RMB20,000,000. At the time of subscription, the registered capital of Shenzhen Peng Ding Chuang Ying was RMB150,000,000 and thus Shenzhen Oceania held approximately 13.33% of the equity interests in Shenzhen Peng Ding Chuang Ying. Subsequently on 6 July 2014, the board of directors and shareholders of Shenzhen Peng Ding Chuang Ying resolved that the registered capital of Shenzhen Peng Ding Chuang Ying be increased from RMB150,000,000 to RMB527,780,000. As a result, the equity interests held by Shenzhen Oceania in Shenzhen Peng Ding Chuang Ying was diluted from approximately 13.33% to approximately 3.79%.

Save as disclosed herein, there was no significant investments, material acquisition and disposal of subsidiaries and associated companies by the Group for the six months ended 30 June 2014.

HUMAN RESOURCES AND REMUNERATION

As at 30 June 2014, the Group employed 292 employees (as compared with 270 employees as at 30 June 2013) with total staff cost of approximately RMB9.7 million incurred for the six months ended 30 June 2014 (as compared with approximately RMB7.7 million for the same period of 2013). The Group's remuneration packages are generally structured with reference to market terms and individual merits.

The Company has also adopted a share option scheme as incentives to Directors and eligible employees, details of the scheme are set out in the paragraph headed "Share Option Scheme" under the section "Corporate Governance and Other Information" in this report.

FUTURE OUTLOOK

According to the data of National Bureau of Statistics of the PRC（中華人民共和國國家統計局）, the growth rate of the Gross Domestic Product of the country was 7.7% in 2013. With the balanced growth of the PRC's economy, continued increase in consumption expenses and further growth of smoking population, the market demand for cigarettes is still on the rise. Moreover, improvement of cigarette products will definitely stimulate the demands for cigarette packaging and will enhance the quality of cigarette packages. Thus, there will be greater room for future development of cigarette packaging industry and the performance of cigarette packaging industry in the PRC will be aligned with the cigarette market.

In order to cater the market needs and further increase the market share, the Group will focus on expanding its paper packaging business. With its technical know-how and advanced equipment, the Group will develop paper packaging for products other than cigarette by utilizing its professional knowledge in package printing and its excess production capacity, especially during the slack seasons of cigarette packaging industry. The Group endeavors to enhance its product portfolio to paper packages for products such as medicine, wine, tea, or other luxury products, and paper cups.

To meet the future market change, apart from strengthening relationships with existing customers to expand business scale, the Group will also invest in new markets in which its business is currently absent so as to broaden its customer base.

FUTURE OUTLOOK *(Continued)*

In the future, the Group will continue to improve the production facilities, enhance production capacity and economies of scale. Upon the completion of the construction of the phase II of the production base in Huizhou, Guangdong Province, the PRC (the "Huizhou Production Base"), the production facilities in Shenzhen production base will be moved to the Huizhou Production Base.

On the whole, the Group will strive to consolidate its leading position in the current market. At the same time, the Group will accelerate its expansion to the new markets with great potential. To sustain long-term growth, the Group will continue to strengthen sales and marketing efforts, to enhance design capability and quality control, as well as to consolidate the cooperation relationships with the customers and suppliers.

PROVISION OF FINANCIAL ASSISTANCE

On 20 June 2014, Shenzhen Oceania settled a sum of tax payment of RMB3,227,925 (the "Tax Payment") to Shenzhen Local Tax Bureau on behalf of Asia Modern (Hong Kong) International Limited ("Asia Modern").

As at 20 June 2014, Asia Modern was owned as to 99% and 1% by Ms. Huang Li and Mr. Huang Chao, respectively. As Asia Modern was an associate jointly and directly held by Ms. Huang Li (the chairman of the Company, an executive Director and one of the controlling shareholders of the Company) and Mr. Huang Chao (a non-executive Director and son of Ms. Huang Li), and was accordingly a connected person of the Company at the material time, the provision of financial assistance to Asia Modern constituted a connected transaction of the Company.

As the applicable percentage ratios in respect of the financial assistance were more than 0.1% but less than 5%, such connected transaction was subject to the reporting and announcement requirements, but was exempted from independent shareholders' approval requirement under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The sum due from Asia Modern to the Group as a result of the Tax Payment was fully settled on 21 July 2014 and no interest was accrued to the Group.

For details of the provision of financial assistance, please refer to the announcement of the Company dated 21 July 2014.

INTERIM DIVIDEND

The Directors proposed not to declare any interim dividend for the six months ended 30 June 2014.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF THE ASSOCIATED CORPORATIONS

As at 30 June 2014, the interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

(i) Long positions in the shares of the Company

Name of Director	Capacity/Nature	No. of shares held	Percentage of interest
Ms. Huang Li[(1)]	Interest of controlled corporation	240,000,000	75%

(ii) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	No. of shares held	Percentage of interest
Ms. Huang Li[(1)]	Ocean Ahead International Limited ("Ocean Ahead")	Beneficial owner	100	100%

Note:

(1) Ms. Huang Li beneficially owns the entire issued share capital of Ocean Ahead. Therefore, Ms. Huang Li is deemed or taken to be interested in all the shares of the Company held by Ocean Ahead for the purposes of the SFO. Ms. Huang Li is the sole director of Ocean Ahead.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2014, the following persons (not being a Director or chief executive of the Company) had interests or short positions in shares or underlying shares of the Company which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the shares of the Company

Name of shareholder	Capacity/Nature	No. of shares held	Percentage of shareholding
Ocean Ahead	Beneficial owner	240,000,000	75%

Save as disclosed above, as at 30 June 2014, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 11 June 2013 for the primary purpose of attracting and retaining the best available personnel, providing additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers ("Eligible Participants") of the Group and promoting the success of the business of the Group and will remain in force for a period of ten years commencing on the adoption date and shall expire at 10 June 2023 subject to early termination provisions contained in the Scheme. The Board may grant options to Eligible Participants to subscribe for shares in the Company subject to the terms of the Scheme.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. However, the total maximum number of the shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not exceed 30% of the issued share capital of the Company from time to time. Options granted to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange at the date of the grant) in excess of HK$5 million, within any 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

SHARE OPTION SCHEME *(Continued)*

Options granted must be taken up within 7 days inclusive of the day on which offer was made, upon payment of HK$1 by the grantee. Options may be exercised at any time for a period determined by its directors which shall not be later than the day immediately preceding the tenth anniversary of the date of grant. The exercise price of the share options shall be a price solely determined by the Board and notified to an Eligible Participant and shall be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of the grant of the options; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the grant of the option; and (iii) the nominal value of a share of the Company on the date of grant.

As at the date of this report, the total number of securities available for issue under the Scheme was 32,000,000 shares, which represented 10% of the issued share capital of the Company. From the adoption date of the Scheme on 11 June 2013 to 30 June 2014, no share option was granted, exercised, cancelled or lapsed, and there was no outstanding option under the Scheme as at 30 June 2014.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining the highest standard of corporate governance practices. For the six months ended 30 June 2014, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Listing Rules.

UPDATE ON DIRECTOR'S INFORMATION

Mr. Zeng Shiquan, an independent non-executive Director, was appointed as an independent non-executive director of Jia Yao Holdings Limited, shares of which are listed on the Main Board of the Stock Exchange (stock code: 01626) on 27 June 2014, with effect from 5 June 2014.

Professor Lam Sing Kwong Simon, an independent non-executive Director, was appointed as an independent non-executive director of Sinomax Group Limited, Glory Flame Holdings Limited and King Force Security Holdings Limited, with effect from 4 March 2014, 2 August 2014 and 31 July 2014, respectively. The shares of Sinomax Group Limited are listed on the Main Board of the Stock Exchange (stock code: 01418) on 10 July 2014. The shares of Glory Flame Holdings Limited and King Force Security Holdings Limited are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 08059 and 08315 respectively) on 15 August 2014 and 20 August 2014 respectively.

Mr. Tam Tak Kei Raymond, an independent non-executive Director, was appointed as the chief financial officer of King Force Security Holdings Limited, shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 08315) on 20 August 2014, with effect from April 2014.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the disclosure made in the annual report of the Company for the year ended 31 December 2013.

Corporate Governance and Other Information

LISTING AND USE OF PROCEEDS

The shares of the Company was successfully listed on the Main Board of the Stock Exchange on 5 July 2013 by way of placing and public offer (together, the "Share Offer") of a total of 80,000,000 shares at the offer price of HK$0.82 per share. Net proceeds raised from the Share Offer were approximately RMB42.0 million (equivalent to approximately HK$52.7 million). As stated in the Prospectus, the Company plans to use the proceeds in (i) the Huizhou Production Base; (ii) the expansion of the sales and marketing network of the Group; (iii) the enhancement of the design and development capabilities of the Group; (iv) potential vertical integration; and (v) general working capital purposes. Due to the delay in construction of the phase II of the Huizhou Production Base, it is expected that the application of listing proceeds in the Huizhou Production Base will be postponed accordingly. As at 30 June 2014, approximately RMB2.6 million (equivalent to approximately HK$3.3 million) out of the net proceeds from the Share Offer had been utilised for general working capital purposes and the remaining net proceeds have been deposited in Hong Kong currency with licensed banks in Hong Kong.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the code of conduct and the required standard set out in the Model Code regarding directors' securities transactions during the six months ended 30 June 2014.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has an audit committee (the "Audit Committee") with terms of reference aligned with the provision of the Code as set out in Appendix 14 to the Listing Rules for the purpose of reviewing and providing supervision on the financial reporting process and internal controls of the Group. The Audit Committee comprises three members, Mr. Huang Chao, a non-executive Director; Mr. Tam Tak Kei Raymond and Professor Lam Sing Kwong Simon, each an independent non-executive Director.

The interim financial results of the Group for the six months ended 30 June 2014 were unaudited but have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made. The Audit Committee has also reviewed this report.

The results for the current interim period have been reviewed by our auditor, Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants in Hong Kong, 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.

Deloitte.
德勤

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF JIN CAI HOLDINGS COMPANY LIMITED
金彩控股有限公司
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Jin Cai Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 16 to 30, which comprise the condensed consolidated statement of financial position as of 30 June 2014, 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 ("HKICPA"). 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 HKICPA. 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 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2014

		Six months ended 30 June	
	NOTES	**2014 (Unaudited) RMB'000**	2013 (Unaudited) RMB'000
Revenue	4	**88,629**	69,068
Cost of sales		**(53,998)**	(42,406)
Gross profit		**34,631**	26,662
Other income and gains		**277**	694
Selling and distribution expenses		**(1,804)**	(1,800)
Administrative expenses		**(8,204)**	(5,489)
Listing expenses		**–**	(5,609)
Finance costs		**(800)**	(884)
Profit before taxation		**24,100**	13,574
Taxation	5	**(7,807)**	(5,591)
Profit and total comprehensive income for the period	6	**16,293**	7,983
Earnings per share			
– Basic (RMB)	8	**0.05**	0.03

Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	NOTES	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	9	**58,161**	58,910
Prepaid lease payments		**17,791**	17,997
Available-for-sale investment	10	**20,000**	–
Deposits for acquisition of property, plant and equipment		**312**	230
		96,264	77,137
Current assets			
Inventories		**10,149**	14,676
Prepaid lease payments		**411**	411
Trade and bills receivables	11	**93,391**	98,892
Other receivables, deposits and prepayments		**1,032**	900
Amount due from a related company	12	**3,228**	–
Pledged bank deposits		**25,643**	13,757
Bank balances and cash		**89,759**	102,088
		223,613	230,724
Current liabilities			
Trade and bills payables	13	**64,059**	64,972
Other payables and accruals		**9,238**	11,129
Dividend payable		**11,432**	–
Tax payable		**4,897**	8,644
Bank borrowings	14	**30,000**	24,000
		119,626	108,745
Net current assets		**103,987**	121,979
Total assets less current liabilities		**200,251**	199,116
Non-current liability			
Deferred taxation		**3,890**	3,880
		196,361	195,236
Capital and reserves			
Share capital	15	**2,550**	2,550
Reserves		**193,811**	192,686
		196,361	195,236

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 JUNE 2014

	Share capital RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000 (Note a)	Special reserves RMB'000 (Note b)	Retained earnings RMB'000	Total RMB'000
At 1 January 2013	–	–	24,385	70,254	25,024	119,663
Profit and total comprehensive income for the period	–	–	–	–	7,983	7,983
Deemed contribution from Controlling Shareholder	–	–	–	6,257	–	6,257
At 30 June 2013 (unaudited)	–	–	24,385	76,511	33,007	133,903
At 1 January 2014	**2,550**	**45,517**	**24,385**	**76,511**	**46,273**	**195,236**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**16,293**	**16,293**
Dividends recognised as distribution (Note 7)	**–**	**–**	**–**	**–**	**(15,168)**	**(15,168)**
At 30 June 2014 (unaudited)	**2,550**	**45,517**	**24,385**	**76,511**	**47,398**	**196,361**

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 a statutory surplus reserve fund. Appropriation to such reserve is made out of profit after taxation as reflected in the statutory financial statements of the relevant PRC subsidiaries while the amounts and allocation basis are decided by their 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 relevant 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. Special reserves comprise of:

(i) an amount of RMB39,000, being the difference between the paid-in capital of a subsidiary, 深圳大洋洲印務有限公司 Shenzhen Oceania Printing Company Limited ("Shenzhen Oceania"), and the fair value of the property, plant and equipment invested in Shenzhen Oceania by Asia Modern (Hong Kong) International Limited ("Asia Modern") on 22 November 2000;

(ii) an amount of RMB48,000,000 represented the paid-in capital of Shenzhen Oceania which has been transferred to special reserve as part of the corporate reorganisation;

(iii) an amount of RMB3,645,000, being the difference between the carrying amount of the share of net assets acquired and the consideration of RMB18,570,000 in respect of the acquisition of additional interests in subsidiaries on 23 August 2012. The consideration of RMB18,570,000 was treated as deemed contribution from the controlling shareholder; and

(iv) an amount of RMB6,257,000 represented the amount due to the Controlling Shareholder (defined in note 1), being waived by the Controlling Shareholder during the six months ended 30 June 2013. The waiver was accounted for as deemed contribution from the Controlling Shareholder.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
NET CASH FROM OPERATING ACTIVITIES	**24,942**	22,367
NET CASH (USED IN) FROM INVESTING ACTIVITIES		
Interest received	**195**	61
Deposits paid for and purchase of property, plant and equipment	**(3,825)**	(1,226)
Proceeds from disposals of property, plant and equipment	**9**	–
Advance to directors	**–**	(518)
Repayment from directors	**–**	741
Advance to a related company	**(3,228)**	–
Repayment from a former non-controlling shareholder of a subsidiary	**–**	3,842
Purchase of available-for-sale investment	**(20,000)**	–
Placement of pledged bank deposits	**(25,643)**	–
Withdrawal of pledged bank deposits	**13,757**	–
	(38,735)	2,900
NET CASH FROM FINANCING ACTIVITIES		
Dividends paid	**(3,736)**	(771)
Bank loans raised	**30,000**	30,000
Repayment of bank loans	**(24,000)**	(29,600)
Interest paid	**(800)**	(884)
Advance from a director	**–**	35,133
Repayment to a director	**–**	(31,273)
	1,464	2,605
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(12,329)**	27,872
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**102,088**	30,850
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD REPRESENTING BANK BALANCES AND CASH	**89,759**	58,722

Notes To The Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revision) Chapter 22 of the Cayman Islands on 29 November 2012. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 July 2013. Its ultimate controlling party is Ms. Huang Li (the "Controlling Shareholder").

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the design, printing and sale of cigarette packages in the PRC.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its subsidiaries.

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.

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 methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

In the current interim period, the Group has applied, for the first time, a new Interpretation and certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the above new Interpretation and amendments to HKFRSs in the current interim period has 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.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of cigarette packages for the period.

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the chief executive officer of the Group) in order to allocate resources to the segment and to assess its performance.

For management purpose, the Group operates in one business unit based on their products, and has one operating segment: design, printing and sale of cigarette packages. The chief operating decision maker monitors the revenue, results, assets and liabilities of its business unit as a whole based on the monthly sales reports, monthly delivery reports and monthly management accounts, and considers the segment assets and segment liabilities of the Group included all assets and liabilities as stated in the condensed consolidated statement of financial position respectively, and considers the segment revenue and segment results of the Group represented all revenue and profit before taxation as stated in the condensed consolidated statement of profit or loss and other comprehensive income respectively. Accordingly, no analysis of this single reportable and operating segment is presented.

5. TAXATION

	Six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
PRC Enterprise Income Tax ("EIT")		
Current tax	**6,801**	4,862
Deferred tax	**1,006**	729
	7,807	5,591

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit subject to Hong Kong Profits Tax for both periods.

Under the Law of the PRC on EIT (the "New Tax Law") and Implementation Regulations of the Law, the standard tax rate of the PRC entities was 25% for the six months ended 30 June 2014 and 2013.

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%.

5. TAXATION *(Continued)*

Deferred taxation is recognised in profit or loss for the period ended 30 June 2014 and 2013 on temporary differences in relation to undistributed profits of subsidiaries.

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Profit for the period has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**352**	164
Other staff costs		
Salaries and other benefits	**8,049**	6,418
Retirement benefits scheme contributions	**1,251**	1,092
	9,652	7,674
Depreciation of property, plant and equipment	**3,231**	2,930
Release of prepaid lease payments	**206**	206
Operating lease rentals in respect of rented premises	**1,068**	987
Cost of inventories recognised as an expense	**52,983**	41,618
(Reversal) recognition of write-down on obsolete inventories (included in cost of sales) (Note a)	**(294)**	62
Interest income	**(195)**	(61)
Government grants (Note b)	**–**	(600)
Loss on disposals of property, plant and equipment	**50**	–
Net foreign exchange gain	**(53)**	–

Notes:

(a) For the period ended 30 June 2014, cost of inventories includes reversal of write-down on obsolete inventories of RMB294,000 which were sold during the period.

(b) Government grants represented subsidies from various PRC governmental authorities which had no conditions or limitations attached.

7. DIVIDENDS

During the current interim period, a final dividend of HK6 cents per share in respect of the year ended 31 December 2013 (six months ended 30 June 2013: Nil) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the interim period amounted to RMB15,168,000 (six months ended 30 June 2013: Nil).

The directors do not recommend the payment of an interim dividend during the period ended 30 June 2014.

8. 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	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Earnings:		
Profit for the period attributable to the owners of the Company for the purpose of basic earnings per share	**16,293**	7,983

	Number of shares Six months ended 30 June	
	2014 (Unaudited) '000	2013 (Unaudited) '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**320,000**	240,000

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 June 2013 had been retrospectively adjusted to reflect 999 shares issued pursuant to the corporate reorganisation on 24 May 2013 and 239,999,000 shares issued upon capitalisation on 5 July 2013 as disclosed in note 15.

No diluted earnings per share are presented as there is no potential dilutive shares in issue during both periods.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group purchased certain motor vehicles and equipment with an aggregate amount of approximately RMB2,508,000 (six months ended 30 June 2013: approximately RMB169,000).

In addition, during the current interim period, the Group paid approximately RMB33,000 for construction costs for a new manufacturing plant in the PRC in order to upgrade its manufacturing capabilities (six months ended 30 June 2013: approximately RMB7,550,000).

10. AVAILABLE-FOR-SALE INVESTMENT

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Unlisted equity security in the PRC	**20,000**	–

The above unlisted equity investments represent approximately 13.33% interest in 深圳市鵬鼎創盈金融信息服務股份有限公司 (Shenzhen Peng Ding Chuang Ying Financial Information Services Stock Company Limited) which was established in the PRC. Ms. Huang Li, a director and the Controlling Shareholder of the Company, is also director of the entity.

The available-for-sale investments are stated at cost less impairment at the end of the reporting period because the directors are of the opinion that its fair value cannot be measured reliably.

11. TRADE AND BILLS RECEIVABLES

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Trade receivables	**58,051**	43,892
Bills receivables	**35,340**	55,000
	93,391	98,892

The Group generally allows credit period of 90 days to its trade customers. For certain major customers, the Group accepts settlement of trade receivables by bank bills with maturity period from 90 days to 180 days.

11. TRADE AND BILLS RECEIVABLES *(Continued)*

The following is an aged analysis of trade receivables presented based on the date of delivery of goods, which approximated the date on which revenue was recognised.

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
0 to 90 days	51,249	42,944
91 to 180 days	5,944	948
181 to 360 days	858	–
	58,051	43,892

The following is an aged analysis of bills receivables presented based on the date of issuance of bills at the end of reporting period:

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
0 to 90 days	35,340	50,200
91 to 180 days	–	4,800
	35,340	55,000

12. AMOUNT DUE FROM A RELATED PARTY

The amount represents advance to Asia Modern for the tax payment on transfer of equity interest in Shenzhen Oceania as part of the corporate reorganisation. As at 30 June 2014, Asia Modern is an entity which is owned as to 99% and 1% by Ms. Huang Li and Mr. Huang Chao, respectively. Both of them are the directors of the Company and Ms. Huang Li is the Controlling Shareholder of the Company. The amount is unsecured and non-interest bearing. The amount was fully settled in July 2014.

13. TRADE AND BILLS PAYABLES

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Trade payables	26,301	37,458
Bills payables	37,758	27,514
	64,059	64,972

The average credit period on purchases of goods is 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
0 to 90 days	25,208	34,824
91 to 180 days	735	1,718
181 to 360 days	149	707
Over 360 days	209	209
	26,301	37,458

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

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
0 to 90 days	26,556	22,475
91 to 180 days	11,202	5,039
	37,758	27,514

14. BANK BORROWINGS

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Unsecured and floating-rate bank borrowings	**30,000**	24,000

The Group's floating-rate borrowings are subject to interest at 130% of RMB Benchmark Loan Rate issued by the People's Bank of China (2013: 130% of RMB Benchmark Loan Rate). The effective interest rates on the Group's borrowings were as follows:

	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Floating-rate borrowings	**7.80%**	7.80%

15. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised		
At 1 January 2013	38,000,000	380
Increase on 11 June 2013 (Note a)	1,962,000,000	19,620
At 30 June 2013, 1 January 2014 and 30 June 2014	2,000,000,000	20,000
Issued and fully paid		
At 1 January 2013	1	–
Issued pursuant to the corporate reorganisation on 24 May 2013 (Note b)	999	–
Issued during the period (Note c)	319,999,000	3,200
At 30 June 2013, 1 January 2014 and 30 June 2014	320,000,000	3,200

15. SHARE CAPITAL *(Continued)*

	30 June 2014 RMB'000
Presented in the condensed consolidated statement of financial position as	2,550

Notes:

(a) Pursuant to the resolutions passed by the then sole shareholder of the Company on 11 June 2013, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by the creation of additional 1,962,000,000 ordinary shares of HK$0.01 each.

(b) Pursuant to the corporate reorganisation on 24 May 2013, the Company allotted and issued 999 ordinary shares of HK$0.01 each credited as fully paid to the Controlling Shareholder as consideration for the acquisition of the entire issued capital of Meteor River Limited, its wholly owned subsidiary.

(c) On 5 July 2013, the Company allotted and issued 239,999,000 ordinary shares of HK$0.01 each credited as fully paid to the shareholders by the capitalisation of an amount of HK$2,399,990 in the share premium account of the Company at par.

On 5 July 2012, the Company issued a total of 80,000,000 ordinary shares of HK$0.01 each at the offer price of HK$0.82 by way of placing and public offer.

16. SHARE-BASED PAYMENTS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 11 June 2013 for the primary purpose of attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers ("Eligible Participants") of the Group and to promote the success of the business of the Group and will remain in force for a period of ten years commencing on the adoption date and shall expire at 10 June 2023. The directors of the Company may grant options to Eligible Participants to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. However, the total maximum number of the shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not exceed 30% of the issued share capital of the Company from time to time. Options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange at the date of the grant) in excess of HK$5 million, within any 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

16. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme of the Company *(Continued)*

Options granted must be taken up within 28 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. Options may be exercised at any time for a period determined by its directors which shall not be later than the day immediately preceding the tenth anniversary of the date of grant. The exercise price of the share options must be at least the highest of (i) the nominal value of an ordinary share on the date of grant; (ii) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the share options; and (iii) the average closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange for the five trading days immediately preceding the date of the offer.

For the six months ended 30 June 2014, no share options had been granted and the Company had no share options outstanding at 30 June 2014.

17. RELATED PARTY DISCLOSURES

(a) Details of the outstanding balances with related parties are set out in the condensed consolidated statement of financial position and in note 12.

(b) Compensation of key management personnel

The remuneration of key management personnel which represent the directors and key executives of the Company during the current interim period were as follows:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Salaries and other benefits	**985**	423
Retirement benefit schemes contributions	**52**	64
	1,037	487

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

18. CAPITAL COMMITMENTS

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

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**864**	668

19. OPERATING LEASE COMMITMENT

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:

	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
Within one year	**2,173**	2,169
In the second to fifth year inclusive	**1,541**	2,507
	3,714	4,676

Operating lease payments represent rentals payable by the Group for its office and manufacturing premises. Leases are negotiated from two to five years and rentals are fixed over the respective leases.