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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2014 decreased by approximately 3.1% to approximately RMB166.5 million as compared with that for the year ended 31 December 2013.
- Profit and total comprehensive income attributable to owners of the Company increased by approximately 7.9% from approximately RMB21.2 million for the year ended 31 December 2013 to approximately RMB22.9 million for the year ended 31 December 2014.

The board of directors (individually, a "Director", or collectively, the "Board") of Jin Cai Holdings Company Limited (the "Company") is pleased to announce the audited consolidated results for the year ended 31 December 2014 of the Company and its subsidiaries (collectively, the "Group") together with the comparative figures for the year ended 31 December 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	NOTES	2014 RMB'000	2013 RMB'000
Revenue	3	**166,516**	171,779
Cost of sales		**(104,185)**	(104,655)
Gross profit		**62,331**	67,124
Other income and gains		**416**	1,163
Selling and distribution expenses		**(4,050)**	(3,997)
Administrative expenses		**(20,284)**	(15,622)
Listing expenses		**–**	(10,443)
Finance costs	4	**(1,889)**	(1,975)
Profit before taxation		**36,524**	36,250
Taxation	5	**(13,594)**	(15,001)
Profit and total comprehensive income for the year attributable to owners of the Company	6	**22,930**	21,249
Earnings per share	8		
– Basic *(RMB)*		**0.07**	0.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	NOTES	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**56,515**	58,910
Prepaid lease payments		**17,586**	17,997
Available-for-sale investment	9	**20,000**	–
Deposits for acquisition of property, plant and equipment		**65**	230
		94,166	77,137
Current assets			
Inventories		**27,698**	14,676
Prepaid lease payments		**411**	411
Trade and bills receivables	10	**66,199**	98,892
Other receivables, deposits and prepayments		**2,647**	900
Pledged bank deposits		**25,449**	13,757
Bank balances and cash		**101,370**	102,088
		223,774	230,724
Current liabilities			
Trade and bills payables	11	**75,400**	64,972
Other payables and accruals		**6,098**	11,129
Tax payable		**5,900**	8,644
Bank borrowings		**24,000**	24,000
		111,398	108,745
Net current assets		**112,376**	121,979
Total assets less current liabilities		**206,542**	199,116
Non-current liability			
Deferred taxation		**3,544**	3,880
		202,998	195,236
Capital and reserves			
Share capital		**2,550**	2,550
Reserves		**200,448**	192,686
		202,998	195,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL INFORMATION

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, and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Ms. Huang Li (the "Controlling Shareholder"). The registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY 1-1108, Cayman Islands, and the address of the principal place of business is No. 21, Jianlong Street, Bao'an Community Henggang Sub-district, Longgang District, Shenzhen City, Guangdong Province, the People's Republic of China (the "PRC").

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

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the current year, the Group has applied, for the first time, the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are mandatory effective for the current year.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]

[1] *Effective for annual periods beginning on or after 1 January 2018*
[2] *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016*
[3] *Effective for annual periods beginning on or after 1 January 2017*
[4] *Effective for annual periods beginning on or after 1 July 2014*
[5] *Effective for annual periods beginning on or after 1 January 2016*
[6] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions*

The directors of the Company anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

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 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 consolidated statement of profit or loss and other comprehensive income respectively. Accordingly, no analysis of this single reportable and operating segment is presented.

Geographical information

As all the Group's revenue is derived from customers located in the PRC and all the Group's identifiable non-current assets are principally located in the PRC, no geographical segment information is presented.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follow:

	2014	2013
	RMB'000	*RMB'000*
Customer A	**125,165**	116,163
Customer B	**26,736**	36,671

4. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on bank borrowings wholly repayable within five years	**1,889**	1,975

5. TAXATION

	2014	2013
	RMB'000	*RMB'000*
Current tax:		
The PRC Enterprise Income Tax ("EIT")	**11,938**	12,697
Withholding tax	**1,992**	–
	13,930	12,697
Deferred tax:		
Current year	**(336)**	2,304
	13,594	15,001

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

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 years ended 31 December 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%.

The tax charge for the year can be reconciled to the profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit before taxation	**36,524**	36,250
Tax at the standard tax rate of 25%	**9,131**	9,062
Tax effect of expenses not deductible for tax purpose	**1,688**	3,247
Tax effect of income not taxable for tax purpose	**(27)**	(2)
Taxation in other jurisdiction	**800**	–
Tax effect of tax losses not recognised	**513**	399
Deferred tax on undistributed earnings of PRC subsidiaries	**1,656**	2,304
Others	**(167)**	(9)
Tax charge for the year	**13,594**	15,001

6. PROFIT FOR THE YEAR

	2014	2013
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	**872**	566
Other staff costs		
Salaries and other benefits	**16,263**	14,507
Retirement benefits scheme contributions	**2,711**	2,440
	19,846	17,513
Auditor's remuneration	**876**	1,232
Net foreign exchange loss	**362**	520
Depreciation of property, plant and equipment	**6,644**	5,839
Release of prepaid lease payments	**411**	411
Operating lease rentals in respect of rented premises	**2,136**	2,056
Cost of inventories recognised as an expense	**102,602**	103,193
(Reversal) recognition of write-down on obsolete inventories (included in cost of sales)	**(217)**	2

7. DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2013 Final – HK6 cents (2012: Nil) per share	**15,168**	–

The directors do not recommend the payment of a final dividend for the year ended 31 December 2014.

8. EARNINGS PER SHARE

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

	2014	2013
	RMB'000	*RMB'000*
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**22,930**	21,249

	2014	2013
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**320,000**	279,452

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 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.

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

9. AVAILABLE-FOR-SALE INVESTMENT

	2014	2013
	RMB'000	*RMB'000*
Unlisted equity security in the PRC	**20,000**	–

The above unlisted equity investments represented approximately 3.79% 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, "Peng Ding") which was established in the PRC. During the year, the Group's equity interest was diluted from 13.33% to 3.79% since there was an increase of registered capital of Peng Ding from RMB150,000,000 to RMB527,780,000 which the Group has no further contribution to Peng Ding. Ms. Huang Li, a director and the Controlling Shareholder of the Company, is also a director of Peng Ding.

The available-for-sale investment is 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.

10. TRADE AND BILLS RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**17,599**	43,892
Bills receivables	**48,600**	55,000
	66,199	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.

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.

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**17,480**	42,944
91 to 180 days	**119**	948
	17,599	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:

	2014 *RMB'000*	2013 *RMB'000*
0 to 90 days	**45,400**	50,200
91 to 180 days	**3,200**	4,800
	48,600	55,000

Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by each customer. Limits attributed to customers are reviewed once a year.

The trade and bill receivables that are neither past due nor impaired is mainly due from those customers which have long-term relationship with the Group and the repayment history of these customers were good.

Included in Group's trade receivables are receivables with the following carrying amounts which are past due as at the end of each reporting period for which the Group has not provided for impairment loss. Aging of trade and bills receivables which are past due but not impaired:

	2014 *RMB'000*	2013 *RMB'000*
Over 90 days	**119**	948

The average age of these receivables is 117 days at 31 December 2014 (2013: 110 days). The Group does not hold any collateral over these balances.

11. TRADE AND BILLS PAYABLES

	2014 *RMB'000*	2013 *RMB'000*
Trade payables	**41,217**	37,458
Bills payables	**34,183**	27,514
	75,400	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:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**39,789**	34,824
91 to 180 days	**1,069**	1,718
181 to 360 days	**–**	707
Over 360 days	**359**	209
	41,217	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:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**12,387**	22,475
91 to 180 days	**16,389**	5,039
181 to 360 days	**5,407**	–
	34,183	27,514

12. EVENT AFTER THE REPORTING PERIOD

The following events took place subsequent to 31 December 2014:

(a) On 11 December 2014, the Company announced that the Company entered into a subscription agreement with four subscribers (the "Subscribers") on 9 December 2014 in relation to the subscription of new ordinary shares and convertible preference shares of the Company (the "Subscription Agreement").

On 3 February 2015, the Company announced that the Company entered into supplemental agreements with the Subscribers on 29 December 2014 and 31 January 2015 respectively. Pursuant to the Subscription Agreement, the Subscribers have conditionally agreed to subscribe or procure subscribers for, and the Company has conditionally agreed to allot and issue: (i) the new ordinary shares and (ii) the preference shares, at an issue price of HK$0.79 each, or in the event of the share subdivision having taken place before Completion, at an issue price of HK$0.079 each.

Details of the transactions are set out in the announcements of the Company dated 11 December 2014 and 2 February 2015, respectively.

(b) Pursuant to the extraordinary general meeting of the Company held on 4 March 2015, an ordinary resolution in respect of the share subdivision (every existing issued share capital of the Company be subdivided into ten subdivided shares (the "Subdivided Shares") in the share capital of the Company (the "Share Subdivision") was duly passed and approved by shareholders.

Upon the Share Subdivision becoming effective on 5 March 2015, the Company has 3,200,000,000 Subdivided Shares in issue and fully paid.

Details of the Share Subdivision are disclosed in the circular of the Company dated 13 February 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2014, China's economic growth steadily while the government struck hard against corruption and Smoking Ban poised to be enforced. This posed challenges to cigarette packaging industry in China. Nevertheless, the tobacco industry continued to integrate under the government's encouragement and thus the market demanded more for high-quality cigarette products. The giant cigarette manufacturers encountered new opportunities. Under the competitive market mechanism of "the survival of the fittest", resources and advantages as well as customer base inclined to large manufacturers. Therefore, despite the lack of growth momentum within the industry, the large smoking population in China leads to continuous increase in the demand for cigarette as well as cigarette packaging, indicating there is still room for growth in cigarette industry.

Industry Review

"Management Guidelines for Cigarette Brand Specification"(《卷煙品牌規格管理辦法》) was implemented since 5 March 2014 to build "nationwide well-known brands, regional competitive brands, innovation specialty brands" with the requirements of "Promote brand image, refine specification, raise product price", urging the formation of market competition between brands. At the time that cigarette industry develops steadily, practices with pursuit for excellence is gradually prevailed among peers. For cigarette packaging manufacturers maintaining close relationship with key cigarette brands, they continue to benefit from the increasing trend of cigarette price and greater room of profit growth.

On 24 November 2014, Legislative Office of National People's Congress of the PRC has announced "Regulations on Smoking Control in Public Places (Draft)" drafted by Health and Family Planning Commission and seek for public opinion. This is the first time the government requires printing of information about health hazards of smoking at conspicuous position on cigarette packages. It is expected that demand for cigarette packaging printing as well as the technical requirements of manufacturers will be higher. As a result, manufacturers with rich experience will possess more advantages in bidding orders of key cigarette brands. Leveraging on excellence performance and precious experience accumulated during years in packaging industry, the Group believe the Company's business will continue to develop healthily.

Business Review

Business Performance

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 sixteen 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 year ended 31 December 2014. During the period under review, the cigarette packaging business developed in steady pace. For the year ended 31 December 2014, the sales revenue of cigarette packaging was approximately RMB166.5 million. The Group will continue to improve the production facilities, enhance production capacity and economies of scale.

深圳大洋洲印務有限公司 (Shenzhen Oceania Printing Company Limited) ("Shenzhen Oceania"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Shenzhen Gao Xin Tou Venture Capital Company Limited and other joint venture partners to establish a joint venture, Shenzhen Peng Ding Chuang Ying Financial Information Services Stock Company Limited ("Shenzhen Peng Ding Chuang Ying") in June 2014. Shenzhen Peng Ding Chuang Ying is mainly engaged in providing internet-based finance services through an internet platform namely "Penging.com"（鵬金所）. The internet-based financial services industry in the PRC is growing and the Directors believe that the investment in Shenzhen Peng Ding Chuang Ying represents an opportunity for the Group to enhance the Shareholders' value.

Sales and Marketing

During the year ended 31 December 2014, the Group employed 7 sales and marketing staff, who were primarily responsible for providing after-sales services to the Group's customers.

Production Capacity

During the year ended 31 December 2014, the Group carried out its cigarette package design and production activities solely at its production base located in Shenzhen, Guangdong Province, the PRC. For the year ended 31 December 2014, the production capacity of the Group was 300,000 cases per annum. Since 2012, the Group has commenced the construction of a new production base in Huizhou, Guangdong Province, the PRC (the "Huizhou Production Base"). The construction work and the relevant completion and acceptance procedures of phase I of the Huizhou Production Base have been completed during the year ended 31 December 2013 and the property licenses of phase I of the Huizhou Production Base, with a gross floor area of approximately 9,775.16 sq. m., have been obtained during the year ended 31 December 2014.

Quality Control

As at 31 December 2014, the Group had a total number of 109 quality control staff. The Group also imported a variety of quality control equipment from overseas to facilitate the quality control processes of the Group.

The Company was accredited with ISO9001:2008 by Universal Certification Service Co., Ltd. since 2009. The level of quality control of the Group is widely recognised by our customers.

Financial Performance

Revenue

For the year ended 31 December 2014, the Group's revenue was approximately RMB166.5 million, which represented a decrease of approximately RMB5.3 million or 3.1% as compared with the year ended 31 December 2013.

The following table sets forth the breakdown of the Group's revenue for the years ended 31 December 2014 and 2013:

Cigarette brand

	For the year ended 31 December			
	2014		2013	
	RMB'000	***%***	*RMB'000*	*%*
Cigarette Brand A	**125,165**	**75.2%**	116,163	67.6%
Cigarette Brand B	**26,736**	**16.1%**	36,671	21.3%
Cigarette Brand C	**4,677**	**2.8%**	7,309	4.3%
Cigarette Brand D	**8,047**	**4.8%**	8,590	5.0%
Others	**1,891**	**1.1%**	3,046	1.8%
	166,516		171,779	

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased from approximately RMB67.1 million for the year ended 31 December 2013 to approximately RMB62.3 million for the year ended 31 December 2014. The overall gross profit margin decreased by 1.7 percentage points from 39.1% for the year ended 31 December 2013 to 37.4% for the year ended 31 December 2014. The decrease in gross profit margin of the Group was mainly as a result of the keen price competition for the tenders won during the year ended 31 December 2014.

Other Income and Gains

Other income and gains mainly referred to income from sale of packaging materials, gain on disposal of property, plant and machinery, interest income and government grants. For the year ended 31 December 2014, other income and gains decreased by approximately RMB747,000 to approximately RMB416,000 as compared with the year ended 31 December 2013. The decrease of such relevant income was primarily attributable to a government grant of RMB850,000 obtained by Shenzhen Oceania, an indirectly wholly-owned subsidiary of the Company during the year ended 31 December 2013, while no such income was recognized during the year ended 31 December 2014.

Selling and Distribution Expenses

Selling and distribution expenses of the Group slightly increased by approximately RMB53,000 or 1.3% from approximately RMB4.0 million for the year ended 31 December 2013 to approximately RMB4.1 million for the year ended 31 December 2014. Selling and distribution expenses mainly included delivery expenses, staff costs and travelling expenses.

Administrative Expenses

Administrative expenses of the Group increased by approximately RMB4.7 million or 29.8% from approximately RMB15.6 million for the year ended 31 December 2013 to approximately RMB20.3 million for the year ended 31 December 2014. The increase was primarily attributable to the increase in Company's regulatory expenses, staff costs, legal and professional fees, travelling expenses and expenses incurred by the Huizhou Production Base such as depreciation and property tax.

Listing Expenses

During the year ended 31 December 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 RMB10.4 million, which were primarily professional fees in connection with the listing. There were no such fees during the year ended 31 December 2014.

Finance Costs

Finance costs decreased by approximately RMB86,000 or 4.4% to approximately RMB1.9 million for the year ended 31 December 2014 from approximately RMB2.0 million for the year ended 31 December 2013. The decrease of finance costs was due to the decrease of interest rate of the Group's bank loan during the year ended 31 December 2014. No interest was capitalised during the year ended 31 December 2014 (2013: Nil).

Taxation

The Group's income tax slightly decreased by approximately RMB1.4 million from approximately RMB15.0 million for the year ended 31 December 2013 to approximately RMB13.6 million for the year ended 31 December 2014.

The effective tax rate of the Group was approximately 37.2% for the year ended 31 December 2014, which slightly decreased by approximately 4.2 percentage points when compared with approximately 41.4% for year ended 31 December 2013.

Profit and Total Comprehensive Income Attributable to Owners of the Company

As a result of the foregoing, profit and total comprehensive income attributable to owners of the Company increased by approximately 7.9% from approximately RMB21.2 million for the year ended 31 December 2013 to approximately RMB22.9 million for the year ended 31 December 2014.

Liquidity and Financial Resources

The Group recorded net current assets of approximately RMB112.4 million as at 31 December 2014, while the net current assets as at 31 December 2013 was approximately RMB122.0 million. The Group maintained a stable and healthy liquidity position during the year ended 31 December 2014. It is reasonable to foresee that the Group will have sufficient resources to repay its liabilities and commitments when they are due and the Group is able to sustain the existing business operation in the foreseeable future, having considered the cash position of the Group and that the Group has unutilised bank borrowing facilities of approximately RMB35.3 million as at 31 December 2014 (2013: approximately RMB22.5 million). The Group recorded current liabilities of approximately RMB111.4 million as at 31 December 2014 (2013: approximately RMB108.7 million).

As at 31 December 2014, the cash and cash equivalents of the Group amounted to approximately RMB101.4 million denominated in Hong Kong Dollars ("HK$") and RMB, while this amount was approximately RMB102.1 million as at 31 December 2013.

For the year ended 31 December 2014, the Group's net cash inflow from operating activities, net cash outflow used in investment activities and net cash outflow used in financing activities amounted to approximately RMB54.0 million, RMB37.3 million and RMB17.1 million respectively. For the year ended 31 December 2013, the Group's net cash inflow from operating activities, net cash outflow used in investment activities and net cash inflow from financing activities amounted to approximately RMB46.0 million, RMB17.9 million and RMB43.6 million respectively.

Borrowings and Gearing Ratio

The total interest-bearing borrowings of the Group as at 31 December 2014 were RMB24.0 million (2013: RMB24.0 million) which were denominated in RMB with effective interest rate of 7.28% (2013: 7.80%). All these borrowings are at floating interest rate and repayable within one year. The Group's gearing ratio (defined as total bank borrowings divided by the sum of total bank borrowings and total equity at end of the year multiplied by 100%) decreased from approximately 10.9% as at 31 December 2013 to approximately 10.6% as at 31 December 2014. The decrease of gearing ratio was mainly due to the increase in total equity of the Group.

Capital Expenditure

The Group's total capital expenditure amounted to approximately RMB4.9 million for the year ended 31 December 2014 which was mainly used in purchase of motor vehicles and equipment. The Group's total capital expenditure for the year ended 31 December 2013 amounted to approximately RMB12.1 million, which were mainly attributable to the construction of the Huizhou Production Base and purchase of plant and machinery.

Capital Commitments

As at 31 December 2014, the Group had capital commitments of approximately RMB0.1 million (2013: approximately RMB0.7 million), for acquisition of property, plant and equipment.

Charge on Assets

As at 31 December 2014, the Group had pledged bank deposits of approximately RMB25.4 million (2013: RMB13.8 million) to a bank in the PRC to secure banking facilities granted to the Group.

Significant Investments, Material Acquisitions and Disposal of Subsidiaries and Associated Companies

As set out 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), 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 investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 December 2014.

Contingent Liabilities

As at 31 December 2014, the Group did not have any significant contingent liabilities (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 and other payables 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 year ended 31 December 2014.

Human Resources and Remuneration Policy

As at 31 December 2014, the Group employed a total of 299 employees (2013: 272 employees) with total staff cost (including staff welfare expenses but excluding retirement benefits scheme contributions and Directors' remuneration) amounted to approximately RMB16.3 million for the year ended 31 December 2014 (2013: approximately RMB14.5 million).

The Company has established a remuneration committee (the "Remuneration Committee") on 11 June 2013 with written terms of reference in compliance with Rule 3.25 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to all employees of the Group, including social insurance coverage, provident funds and bonus.

The Group mainly determines staff remuneration on basis of the competence, qualifications and performance of individual employee and the salary trends in Hong Kong and PRC. The staff remuneration will be reviewed regularly.

The emoluments of the Directors and senior management are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Remuneration Committee will regularly review and determine from time to time the remuneration and compensation of the Directors and the senior management of the Group.

The Company has also adopted a share option scheme as incentive to the Directors and eligible employees.

Future Outlook

Besides the cigarette packages printing business, the Group has also been actively looking for new investments and business opportunities in order to diversify its existing business with a view to achieving better growth potential and enhancing shareholders' return. In this regard, the Directors consider that photovoltaic power generation is a sector with great potential which presents a good investment opportunity for the Group.

The Company and four subscribers entered into a subscription agreement and two supplemental agreements on 9 December 2014, 29 December 2014 and 31 January 2015 respectively, pursuant to which the subscribers have conditionally agreed to subscribe or procure subscribers for, and the Company has conditionally agreed to allot and issue new ordinary shares and preference shares of the Company (the "Subscription"). The subscribers include an investment holding company wholly owned by Beijing Enterprises Water Group Limited, CPE China Fund II, L.P. and CPE China Fund IIA, L.P., CITIC Private Equity Fund III (RMB)* 北京中信投資中心(有限合夥) and More Surplus Investments Limited. The proceeds from the issue of new ordinary shares and preference shares under the Subscription will be used in developing photovoltaic power generation business. Details of the Subscription were set out in the announcement of the Company dated 2 February 2015. As at the date of this announcement, the Subscription was not yet completed. It is expected that a circular in relation to, among other things, the Subscription will be despatched to the shareholders of the Company on or before 17 April 2015.

On 16 February 2015, Greatest Winner Limited, an indirect wholly-owned subsidiary of the Company, entered into a framework agreement (the "Framework Agreement") with 河北省蔚縣人民政府 (the people's government of Yu County, Hebei Province) for the investment and development of photovoltaic power projects in Yu County in Hebei Province, the PRC with an expected aggregate installed capacity of 3 GW during 2015 to 2020, of which 200 MW is expected to be developed in 2015. The actual installed capacity of the project is subject to the approval of the relevant government authorities. Details of the Framework Agreement were set out in the announcement of the Company dated 16 February 2015.

* *For identification purpose only*

The central government of the PRC has been actively promoting renewable energy in recent years in order to mitigate China's reliance on traditional energy sources (coal, oil and natural gas) and to protect the environment. Since 2012, the PRC government has released a series of policies and measures in support of the photovoltaic industry, including 《關於促進光伏產業健康發展的 若干意見》(Opinions on Promoting the Healthy Development of the photovoltaic industry*) issued by the State Council of the PRC, as a result of which the photovoltaic industry in the PRC has experienced significant growth. According to the National Energy Administration of the PRC, China's total grid-connected solar photovoltaic capacity as of the end of 2013 has reached 16.3 GW, increased by approximately 288% as compared to 4.2 GW as of the end of 2012. Such increase was due to a record 12.1 GW installation of grid-connected photovoltaic capacity in 2013, topping all countries in the world. According to the 能源發展戰略行動計劃 (2014-2020) (Strategic Action Plan for Energy Development (2014-2020)*) issued by the State Council of the PRC in 2014, the installed gross capacity of photovoltaic power generation shall reach 100GW by year 2020. It is expected that in the coming years China will continue to be the largest solar photovoltaic power generation market in the world.

In the future, the Group will actively look for more opportunities in the development of paper packaging business in order to further increase our market share by utilising our professional knowledge in package printing. With our existing competitive edge and leading market position, the Group will continue to improve and upgrade our cigarette packaging business while diligently expand our business scale. Moreover, stepping into industries with enormous potential, such as internet finance and solar photovoltaic power generation will inject vitality to the Group and bring ample returns to the shareholders.

FINAL DIVIDEND

The Directors do not recommend the payment of a dividend for the year (2013: HK6 cents per share).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2014.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors continuously observe the principles of good corporate governance in the interests of shareholders and devote considerable effort to identifying and formalizing best practice. The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules. The Board considered that the Company had complied with all the applicable code provisions of the Code for the year ended 31 December 2014.

* *For identification purpose only*

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions from the Listing Date up to the date of this announcement.

REVIEW OF ANNUAL RESULTS

The Group's audited annual results for the year ended 31 December 2014 have been reviewed by the audit committee of the Company, 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.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting is scheduled to be held on Thursday, 21 May 2015.

For the purpose of determining shareholders who are entitled to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 19 May 2015 to Thursday, 21 May 2015, both days inclusive. In order to qualify for the right to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 18 May 2015.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

ACKNOWLEDGEMENT

The chairman of the Board would like to thank the Board, the management and all of our staff for their hard work and dedication, as well as shareholders of the Company for their support to the Group.

On behalf of the Board
Jin Cai Holdings Company Limited
HUANG Li
Chairman

Hong Kong, 18 March 2015

As at the date of this announcement, the Board comprises six Directors, namely Ms. Huang Li and Mr. Zheng Hua as executive Directors; Mr. Huang Chao as non-executive Director; Mr. Zeng Shiquan, Mr. Tam Tak Kei Raymond and Professor Lam Sing Kwong Simon as independent non-executive Directors.