

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Jin Cai Holdings Company Limited

金彩控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that on 20 June 2014, Shenzhen Oceania, an indirectly wholly-owned subsidiary of the Company, settled the Tax Payment to Shenzhen Local Tax Bureau on Asia Modern's behalf in the sum of RMB3,227,925 (equivalent to approximately HK\$4,066,677).

As part of the corporate reorganisation for the listing of the Shares on the Stock Exchange, Super Future, an indirectly wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Asia Modern on 31 July 2012, pursuant to which Super Future acquired 79% equity interest of Shenzhen Oceania from Asia Modern at the consideration of RMB69,850,000.

After the equity transfer had taken place, Asia Modern had been negotiating with Shenzhen Local Tax Bureau in relation to the amount of the tax payable by Asia Modern as a result of the said equity transfer and the timing of payment. Shenzhen Local Tax Bureau adjudicated in June 2014 that Asia Modern had to pay the tax of RMB3,227,925 as a result of the said equity transfer. Upon such decision being made, Shenzhen Local Tax Bureau urged Asia Modern (through Shenzhen Oceania) to settle the Tax Payment as soon as possible. As Asia Modern is a company incorporated in Hong Kong, it may take extra effort and time to arrange settlement of the Tax Payment directly since the Tax Payment should be settled in RMB. In order to

avoid further delay of the settlement of the Tax Payment, Shenzhen Oceania settled the Tax Payment on Asia Modern's behalf on 20 June 2014. The settlement of the Tax Payment by Shenzhen Oceania on behalf of Asia Modern constituted providing financial assistance by the Group to Asia Modern under the Listing Rules.

BREACH OF CHAPTER 14A OF THE LISTING RULES

As at 20 June 2014, Asia Modern was owned as to 99% and 1% by Ms. Huang and Mr. Huang, respectively. As Asia Modern was an associate jointly and directly held by Ms. Huang (the chairman of the Company, an executive Director and one of the controlling shareholders of the Company) and Mr. Huang (a non-executive Director and son of Ms. Huang), 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 are 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 Listing Rules.

Pursuant to Rule 14A.66 of the Listing Rules then in force, the connected transaction was subject to the reporting and announcement requirements. The Company had omitted to comply with such requirements and failed to announce the provision of financial assistance to Asia Modern when the Tax Payment was settled in June 2014. The failure to comply with Rule 14A.66 of the Listing Rules then in force was due to the misunderstanding by the management of the Group that the Tax Payment was resulted from the re-organisation of the Group prior to the listing and thus was not subject to the requirements under Chapter 14A of the Listing Rules.

The Directors first became aware of the breach of Rule 14A.66 of the Listing Rules then in force in mid-July 2014 when the Company was preparing the interim results of the Group for the six months ended 30 June 2014. After the Directors became aware of the breach, a board meeting was convened on 21 July 2014 to ratify the connected transaction involving provision of financial assistance to Asia Modern by the Group. Each of Ms. Huang, Mr. Huang and Mr. Zheng (who is the brother-in-law of Ms. Huang and the uncle of Mr. Huang) has abstained

from voting on the relevant board resolutions passed in connection with the provision of financial assistance to Asia Modern. Other than Ms. Huang, Mr. Huang and Mr. Zheng, who had abstained from voting, no Director had a material interest in the provision of financial assistance to Asia Modern which would require him to abstain from voting on the relevant Board resolutions.

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.

The Directors (including the independent non-executive Directors), after taking into account that (i) the amount of the Tax Payment was not significant and had no material adverse effect on the business, financial position and cash flow of the Group; and (ii) the amount due from Asia Modern as a result of the Tax Payment has been fully settled, consider that the terms of the financial assistance to Asia Modern are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Directors consider that the failure to comply with Rule 14A.66 of the Listing Rules then in force was inadvertent, and the Company takes the incident seriously and has taken the following remedial measures to prevent the re-occurrence of similar incident:

1. the connected transaction memorandum and list of connected persons have been re-circulated to all directors, senior management and accounting staff of the Group; and
2. a training session for the relevant staff of the Group will be arranged so as to enhance their understanding on the Listing Rules and the reporting procedure of connected transactions and notifiable transactions.

The Directors confirm that save for the above, there has been no other notifiable transaction or connected transaction that the Company has failed to disclose under the relevant requirement of the Listing Rules since listing of the Shares on the Stock Exchange.

GENERAL

The Group is principally engaged in the design, printing and sale of cigarette packages in the PRC. Shenzhen Oceania is an indirectly wholly-owned subsidiary of the Company and the principal operating subsidiary of the Group.

Asia Modern is a former shareholder of Shenzhen Oceania. As at 20 June 2014 and as at the date of this announcement, Asia Modern does not carry out any business activities.

DEFINITIONS

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

“Asia Modern”	Asia Modern (Hong Kong) International Limited (亞先(香港)國際有限公司), a company incorporated in Hong Kong with limited liability on 24 August 1993 and owned as to 99% and 1% by Ms. Huang and Mr. Huang, respectively, as at 20 June 2014 and as at the date of this announcement
“Board”	board of Directors
“Company”	Jin Cai Holdings Company Limited (金彩控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries, principally engaged in the design, printing and sale of cigarette packages in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Mr. Huang”	Mr. Huang Chao (黃超), a non-executive Director, the son of Ms. Huang and the nephew of Mr. Zheng
“Mr. Zheng”	Mr. Zheng Hua (鄭華), the chief executive officer of the Company, an executive Director, the brother-in-law of Ms. Huang and the uncle of Mr. Huang
“Ms. Huang”	Ms. Huang Li (黃莉), the chairman of the Company, an executive Director and one of the controlling shareholders of the Company. Mr. Huang is her son and Mr. Zheng is her brother-in-law
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Oceania”	深圳大洋洲印務有限公司 (Shenzhen Oceania Printing Company Limited), a company established in the PRC with limited liability on 23 March 2000 and an indirectly wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Super Future”	Super Future Investments Limited (鴻超投資有限公司), a company incorporated in Hong Kong with limited liability on 19 January 2011 and an indirect wholly-owned subsidiary of the Company
“Tax Payment”	a sum of tax payment of RMB3,227,925 adjudicated by Shenzhen Local Tax Bureau
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board
Jin Cai Holdings Company Limited
HUANG Li
Chairman

Hong Kong, 21 July 2014

In this announcement, the English names of the PRC entities are translation of their Chinese names and included for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rate of RMB0.79375 = HK\$1. No representation has been made by the Company that any amount expressed in foreign currency in this announcement has been, could have been or could be converted at any rates at all.

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.