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China Print Power Group Limited

中國威力印刷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 6828)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is a reproduction of the announcement made by China Print Power Group Limited (the “Company”) regarding the annual results of the Company and its subsidiary for the year ended 31 December 2011 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (which requires a listed issuer to ensure that if securities of the listed issuer are also listed on other stock exchanges, The Stock Exchange of Hong Kong Limited is simultaneously informed of any information released to any of such other stock exchanges and that such information is released to the market in Hong Kong at the same time as it is released on other markets), please refer to the attached announcement on the next page issued on the Singapore Securities Trading Limited on 25 February 2012.

By order of the Board
China Print Power Group Limited
Sze Chun Lee
Chief Executive Officer & Executive Director

Hong Kong, 25 February 2012

As at the date of this announcement, the executive directors of the Company are Mr. Sze Chun Lee, Mr. Chan Wai Ming, Mr. Kwan Wing Hang, Mr. Lam Shek Kin and Ms. Chung Oi Ling, Stella; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Leong Ka Yew, Mr. Wee Piew, Mr. Liu Kwong Chi, Nelson and Ms. Wong Fei Tat.



CHINA PRINT POWER GROUP LIMITED

中國威力印刷集團有限公司

(Incorporated in Bermuda)

Company Registration Number: 39018

Financial Statements and Dividend Announcement
For the year ended 31 December 2011



Year Ended 2011 Financial Statements and Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase / (Decrease) %
	Year ended 31/12/2011 HKD'000	Year ended 31/12/2010 HKD'000	
Revenue	257,859	201,677	27.9
Cost of sales	<u>(201,707)</u>	<u>(142,233)</u>	41.8
Gross profit	56,152	59,444	(5.5)
Other income	1,781	2,912	(38.8)
Selling and distribution costs	(12,450)	(8,800)	41.5
Administrative expenses	(27,427)	(24,962)	9.9
Listing expenses	(8,890)	-	-
Other operating expenses	(2,947)	(1,801)	63.6
Finance costs	<u>(1,617)</u>	<u>(2,051)</u>	(21.2)
Profit before income tax	4,602	24,742	(81.4)
Income tax expense	<u>(3,460)</u>	<u>(2,730)</u>	26.7
Profit for the year and attributable to owners of the Company	<u>1,142</u>	<u>22,012</u>	(94.8)
Other comprehensive income			
Exchange gain on translation of financial statements of foreign operations	<u>3,268</u>	<u>833</u>	292.3
Other comprehensive income for the year	<u>3,268</u>	<u>833</u>	292.3
Total comprehensive income for the year and attributable to owners of the Company	<u><u>4,410</u></u>	<u><u>22,845</u></u>	(80.7)



Year Ended 2011 Financial Statements and Dividend Announcement

- (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

The Group's profit is arrived at after charging/(crediting):

	Group	
	Year ended 31/12/2011 HKD'000	Year ended 31/12/2010 HKD'000
Other income		
- Interest income	(50)	(11)
- Reversal of impairment losses on trade receivables	(656)	(1,040)
- Other payables written back	(604)	(573)
- Sundry income	(471)	(1,288)
	<u>(1,781)</u>	<u>(2,912)</u>
Interest paid on borrowings	1,617	2,051
Depreciation of property, plant and equipment	13,039	13,588
Net loss on disposals of property, plant and equipment	128	49
Amortisation of leasehold land and land use rights	129	124
Net foreign exchange loss	375	449
Impairment losses on trade receivables	419	500
Under/(Over) provision of income tax expense in respect of prior years	334	(322)
	<u>334</u>	<u>(322)</u>



Year Ended 2011 Financial Statements and Dividend Announcement

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/12/2011 HKD'000	As at 31/12/2010 HKD'000	As at 31/12/2011 HKD'000	As at 31/12/2010 HKD'000
ASSETS AND LIABILITIES				
Non-current assets				
Leasehold land and land use rights	5,629	5,474	-	-
Property, plant and equipment	143,506	118,294	-	-
Other non-current assets	601	690	-	-
Interests in subsidiaries	-	-	46,078	46,078
	<u>149,736</u>	<u>124,458</u>	<u>46,078</u>	<u>46,078</u>
Current assets				
Inventories	33,440	21,319	-	-
Trade and other receivables	89,672	71,414	52,122	26,630
Dividend receivables from subsidiary	-	-	7,043	11,444
Current tax assets	337	-	-	-
Cash and cash equivalents	46,300	28,831	2,907	46
	<u>169,749</u>	<u>121,564</u>	<u>62,072</u>	<u>38,120</u>
Current liabilities				
Trade and other payables	39,423	26,130	-	-
Bank borrowings - secured	63,270	34,682	-	-
Obligations under finance leases	2,024	10,834	-	-
Current tax liabilities	1,110	108	-	-
	<u>105,827</u>	<u>71,754</u>	<u>-</u>	<u>-</u>
Net current assets	<u>63,922</u>	<u>49,810</u>	<u>62,072</u>	<u>38,120</u>
Non-current liabilities				
Deferred tax liabilities	3,442	3,624	-	-
	<u>3,442</u>	<u>3,624</u>	<u>-</u>	<u>-</u>
Net assets	<u>210,216</u>	<u>170,644</u>	<u>108,150</u>	<u>84,198</u>
EQUITY				
Share capital	83,715	67,215	83,715	67,215
Reserves	126,501	103,429	24,435	16,983
Total equity attributable to owners of the Company	<u>210,216</u>	<u>170,644</u>	<u>108,150</u>	<u>84,198</u>



Year Ended 2011 Financial Statements and Dividend Announcement

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand*

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
HKD'000	HKD'000	HKD'000	HKD'000
41,171	-	28,852	-

Amount repayable after one year*

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
HKD'000	HKD'000	HKD'000	HKD'000
24,123	-	16,664	-

* Based on the schedule repayment dates set out in the borrowing agreements and ignore the effect of any repayment on demand clause.

Details of any collaterals

As at 31 December 2011 and 2010, the Group's borrowings are secured by (i) corporate guarantee provided by the Company, (ii) letters of undertaking from its subsidiaries, Power Printing Products Limited, Carta & Cuoio Company Limited and Power Printing (He Yuan) Co., Ltd and (iii) certain plant and machinery and trade receivables.



Year Ended 2011 Financial Statements and Dividend Announcement

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Year ended 31/12/2011 HKD'000	Year ended 31/12/2010 HKD'000
Cash flows from operating activities		
Profit before income tax	4,602	24,742
Adjustments for:		
Amortisation of leasehold land and land use rights	129	124
Depreciation of property, plant and equipment	13,039	13,588
Impairment losses on trade receivables	419	500
Interest income	(50)	(11)
Interest expense	1,617	2,051
Net loss on disposals of property, plant and equipment	128	49
Other payables written back	(604)	(573)
Reversal of impairment losses on trade receivables	(656)	(1,040)
Operating profit before working capital changes	18,624	39,430
Increase in inventories	(12,067)	(3,509)
Increase in trade and other receivables	(18,205)	(7,481)
Increase in trade and other payables	8,216	1,911
Cash (used in) / generated from operations	(3,432)	30,351
Income taxes refunded	362	-
Income taxes paid	(3,339)	(4,295)
Interest paid	(1,617)	(2,051)
<i>Net cash (used in) / from operating activities</i>	(8,026)	24,005
Cash flows from investing activities		
Interest received	50	11
Purchases of property, plant and equipment	(29,651)	(2,350)
Proceeds from disposals of property, plant and equipment	100	112
<i>Net cash used in investing activities</i>	(29,501)	(2,227)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	44,400	-
Payment of transaction costs on issue of ordinary shares	(4,838)	-
Dividends paid	(4,400)	(2,884)
Decrease in pledged deposits	-	1,055
Increase/(Decrease) in truse receipt loans and collateralised borrowings	13,931	(12,616)
Proceeds from new bank borrowings	33,750	15,800
Repayments of bank borrowings	(19,093)	(14,003)
Repayments of obligations under finance leases	(8,810)	(6,265)
<i>Net cash from / (used in) financing activities</i>	54,940	(18,913)
Net increase in cash and cash equivalents	17,413	2,865
Cash and cash equivalents at 1 January	28,831	25,966
Effect of foreign exchange rate changes, on cash held	56	-
Cash and cash equivalents at 31 December	46,300	28,831



Year Ended 2011 Financial Statements and Dividend Announcement

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to owners of the Company						Total equity HKD'000
	Share capital HKD'000	Share premium* HKD'000	Merger reserve* HKD'000	Translation reserve* HKD'000	Proposed final dividend* HKD'000	Retained profits* HKD'000	
Balance at 1 January 2010	67,215	12,177	(43,048)	13,227	2,884	98,228	150,683
2009 final dividend approved	-	-	-	-	(2,884)	-	(2,884)
Transactions with owners	-	-	-	-	(2,884)	-	(2,884)
Profit for the year	-	-	-	-	-	22,012	22,012
Other comprehensive income							
-Exchange gain on translation of financial statements of foreign operations	-	-	-	833	-	-	833
Total comprehensive income for the year	-	-	-	833	-	22,012	22,845
2010 final dividend proposed	-	-	-	-	4,400	(4,400)	-
Balance as at 31 December 2010 and 1 January 2011	67,215	12,177	(43,048)	14,060	4,400	115,840	170,644
2010 final dividend approved	-	-	-	-	(4,400)	-	(4,400)
Issue of ordinary shares	16,500	27,900	-	-	-	-	44,400
Transaction costs on issue of ordinary shares	-	(4,838)	-	-	-	-	(4,838)
Transactions with owners	16,500	23,062	-	-	(4,400)	-	35,162
Profit for the year	-	-	-	-	-	1,142	1,142
Other comprehensive income							
-Exchange gain on translation of financial statements of foreign operations	-	-	-	3,268	-	-	3,268
Total comprehensive income for the year	-	-	-	3,268	-	1,142	4,410
Balance at 31 December 2011	83,715	35,239	(43,048)	17,328	-	116,982	210,216

* Total of these reserve accounts as at 31 December 2011 amounted to HK\$126,501,000 (2010: HK\$103,429,000).



Year Ended 2011 Financial Statements and Dividend Announcement

Company

	Share capital HKD'000	Share premium** HKD'000	Proposed final dividend** HKD'000	Retained profits** HKD'000	Total equity HKD'000
Balance at 1 January 2010	67,215	12,177	2,884	247	82,523
2008 final dividend approved	-	-	(2,884)	-	(2,884)
Transactions with owners	-	-	(2,884)	-	(2,884)
Profit for the year	-	-	-	4,559	4,559
Total comprehensive income for the year	-	-	-	4,559	4,559
2010 final dividend proposed	-	-	4,400	(4,400)	-
Balance at 31 December 2010 and 1 January 2011	67,215	12,177	4,400	406	84,198
2010 final dividend approved	-	-	(4,400)	-	(4,400)
Issue of ordinary shares	16,500	27,900	-	-	44,400
Transactions costs on issue of ordinary shares	-	(4,838)	-	-	(4,838)
Transactions with owners	16,500	23,062	(4,400)	-	35,162
Loss for the year	-	-	-	(11,210)	(11,210)
Total comprehensive income for the year	-	-	-	(11,210)	(11,210)
Balance at 31 December 2011	83,715	35,239	-	(10,804)	108,150

** Total of these reserve accounts amounted to HK\$24,435,000 (2010: HK\$16,983,000) as at 31 December 2011.

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company's shares were dual listed on The Stock Exchange of Hong Kong Limited ("SEHK") on 12 July 2011 and 30,000,000 new shares were issued since then.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group	
	31/12/2011	31/12/2010
Total number of issued shares excluding treasury shares	152,209,373	122,209,373



Year Ended 2011 Financial Statements and Dividend Announcement

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of current financial period reported on.

There were no sale, transfer, disposal, cancellation and / or use of treasury shares as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group has adopted the same accounting policies and methods of computation as stated in the audited financial statements for the year ended 31 December 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new IFRSs") issued by the IASB and the IFRIC of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011.

IAS 24 (Revised) – Related Party Disclosures; and

Various - Annual improvements to IFRSs May 2010

IAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the Group in the prior period. The Group has reassessed the identification of its related parties in accordance with the revised definition and as a consequence has amended the disclosures of its related party transactions in the current and previous years by excluding transactions with an entity which was significantly influenced by members of the Group's key management personnel. The adoption of IAS 24 (Revised) has no impact on the Group's profit or loss, total comprehensive income or financial positions for the periods presented.

IAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under common control, joint control or significant influence of a government, government agency or similar body. These new disclosure requirements are not relevant to the Group because the Group is not a government-related entity. The Improvements to IFRSs May 2010 comprise a number of amendments to IFRSs, primarily with a view to remove inconsistencies and clarifying wordings. The amendments do not have any financial impact on the Group for the current period.



Year Ended 2011 Financial Statements and Dividend Announcement

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share based on profit attributable to owners of the Company:	Group	
	FY2011	FY2010
(i) Based on existing issued share capital	HK 0.8 cents	HK 18.0 cents
(ii) On a fully diluted basis	Not applicable	Not applicable

The calculation of the basic earnings per share is based on the profit attributable to owners of the Company of HK\$1,142,000 (2010: HK\$22,012,000) and on the weighted average number of 136,510,742 (2010: 122,209,373) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2011 and 2010 are not presented as there is no dilutive potential ordinary share.

7. **Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net asset value per ordinary share based on issued share capital	As at 31/12/2011	As at 31/12/2010
Group	HK 138.10 cents	HK 139.63 cents
Company	HK 71.05 cents	HK 68.90 cents

Net asset value attributable to the equity holders of the Company per ordinary share was calculated based on:

1. the equity of the Group/Company attributable to the owners of the Company as at 31 December 2011 and 31 December 2010; and
2. 152,209,373 (2010: 122,209,373) ordinary shares in issue as at 31 December 2011 and 31 December 2010 during the year.



8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenue increased by 27.9% from approximately HK\$201.7 million in FY2010 to approximately HK\$257.9 million in FY2011, primarily as a result of the growth in sales orders especially for book products as a result of better competitive prices offered to customers.

Gross Profit Margin

Overall gross profit margin decreased from approximately 29.5% in FY2010 to approximately 21.8% in FY2011. This was mainly due to increase in labour and material costs. During the year, the labour cost increased by 49.7% from approximately HK\$29.6 million in FY2010 to approximately HK\$44.3 million in FY2011 due to increases in (i) PRC social insurance contribution; (ii) sales volume; and (iii) temporary labour whose wage rate was higher so as to ease a labour shortage problem. During the year, raw material costs increased by 45.3% from approximately HK\$88.8 million in FY2010 to approximately HK\$129.0 million in FY2011, mainly due to the increase in sales volume and the costs that were not easy to shift to customers.

Other Income

Other income decreased by 38.8% from approximately HK\$2.9 million in FY2010 to approximately HK\$1.8 million in FY2011. This was mainly due to the decrease in sales of scrap materials of approximately HK\$0.8 million and the decrease in bad debts recovery of approximately HK\$0.4 million.

Operating Expenses

(a) **Selling and distribution costs**

Selling and distribution costs increased by 41.5% from approximately HK\$8.8 million in FY2010 to approximately HK\$12.5 million in FY2011. This was mainly due to (i) increase of approximately HK\$3.2 million in transportation and freight charges resulting from increased sales volume and shorter lead-time for transportation; (ii) increase in commission paid to sales agent of approximately HK\$0.2 million; and (iii) increase in samples and testing charges of approximately HK\$0.1 million.

(b) **Administrative expenses**

Administrative expenses increased by 9.9% from approximately HK\$25.0 million in FY2010 to approximately HK\$27.4 million in FY2011. The increase was mainly due to (i) increase in directors' emoluments, administrative employees' salaries, allowance, and welfare expense of approximately HK\$0.8 million; (ii) increase in courier charges of approximately HK\$0.4 million; (iii) increase in repair expenses of approximately HK\$0.4 million; (iv) increase in sundry expenses of approximately HK\$0.6 million; and (v) increase in computer expenses of approximately HK\$0.3 million;.



(c) Listing expenses

The Company's shares were dual listed on SEHK on 12 July 2011. An one-off listing expense of approximately HK\$8.9 million was incurred.

(d) Other operating expenses

Other operating expenses increased by 63.6% from approximately HK\$1.8 million in FY2010 to approximately HK\$2.9 million in FY2011, mainly due to the increase in legal and professional fees after the successful dual listing of the Company's shares on SEHK of approximately HK\$0.8 million and the increase in bank charges of approximately HK\$0.3 million.

(e) Finance costs

Finance costs decreased by 21.2% from approximately HK\$2.1 million in FY2010 to approximately HK\$1.6 million in FY2011. This was mainly due to the decrease in interest paid on obligations under finance lease attributable to the early repayment of the related finance lease obligations.

(f) Income tax expense

Income tax expense increased by 26.7% from approximately HK\$2.7 million in FY2010 to approximately HK\$3.5 million in FY2011, mainly due to the provision adjustment of approximately HK\$0.6 million between FY2010 and FY2011.

As a result of the above, profit attributable to owners of the Company decreased by 94.8% from approximately HK\$22.0 million for FY2010 to approximately HK\$1.1 million for FY2011. The change was partially offset by an increase in foreign exchange gain on the translation of financial statements of foreign operations by approximately HK\$3.3 million in FY2011 resulting in the total comprehensive income attributable to equity owners decreased by 80.7% to HK\$4.4 million.

STATEMENT OF FINANCIAL POSITION

Assets

As at 31 December 2011, non-current assets amounted to approximately HK\$149.7 million, or 46.9% of the Company's total assets, an increase of approximately HK\$25.2 million as compared to approximately HK\$124.5 million as at 31 December 2010. The increase was mainly due to the factory construction and acquisition of property, plant and equipment.

As at 31 December 2011, current assets amounted to HK\$169.7 million, comprised mainly the following:

- (a) Inventories of approximately HK\$33.4 million; an increase of approximately HK\$12.1 million as compared to HK\$21.3 million as at 31 December 2010;
- (b) Trade and other receivables of approximately HK\$89.7 million; an increase of approximately HK\$18.3 million from approximately HK\$71.4 million as at 31 December 2010, mainly due to the increased revenue during the reported year; and
- (c) Cash and cash equivalents of approximately HK\$46.3 million; an increase of approximately HK\$17.5 million from approximately HK\$28.8 million as at 31 December 2010.



Liabilities

As at 31 December 2011, our current liabilities amounted to HK\$105.8 million, comprised mainly the following:

- (a) Trade and other payables of approximately HK\$39.4 million; an increase of HK\$13.3 million from approximately HK\$26.1 million as at 31 December 2010;
- (b) Bank borrowings of approximately HK\$63.3 million; an increase of approximately HK\$28.6 million from approximately HK\$34.7 million as at 31 December 2010, mainly due to the increase in term loan for early repayment of obligations under finance leases; and
- (c) Obligations under finance leases of approximately HK\$2.0 million; a decrease of HK\$8.8 million from approximately HK\$10.8 million as at 31 December 2010 due to early repayment of borrowings under finance leases.

Equity attributable to owners of the Company

As at 31 December 2011, total equity attributable to owner of the Company is approximately HK\$210.2 million as compared to approximately HK\$170.6 million as at 31 December 2010. The increase of approximately HK\$39.6 million was mainly due to (i) the net proceeds from the issue of ordinary shares of approximately HK\$39.6 million; (ii) the profit for FY2011 of approximately HK\$1.1 million; and (iii) the exchange gain of approximately HK\$3.3 million from retranslating financial statements of the Company's PRC subsidiary for the purpose of consolidation, but the increase was partially offset by the payment of final dividend of approximately HK\$4.4 million attributable for FY2010.

STATEMENT OF CASH FLOWS

Overall, the Group registered a net cash increase of approximately HK\$17.5 million for FY2011.

Net cash used in operating activities for FY2011 amounted to approximately HK\$8.0 million, a net change by approximately HK\$32.0 million as compared to the net cash generated from operating activities for FY2010 of approximately HK\$24.0 million. Operating profit before working capital changes decreased from approximately HK\$39.4 million in FY2010 to approximately HK\$18.6 million in FY2011.

Net cash used in investing activities for FY2011 amounted to approximately HK\$29.5 million, an increase of approximately HK\$27.3 million as compared to approximately HK\$2.2 million in FY2010. The increase was mainly due to the factory construction and acquisition of property, plant and equipment.

Net cash from financing activities for FY2011 amounted to approximately HK\$54.9 million, a net change of approximately HK\$73.8 million as compared to net cash used in financing activities of approximately HK\$18.9 million in FY2010. The Company's shares were dual listed on SEHK on 12 July 2011 and the net proceeds from the issue of ordinary shares amounted to approximately HK\$39.6 million.



Year Ended 2011 Financial Statements and Dividend Announcement

As at 31 December 2011, the Group's cash and cash equivalents amounted to approximately HK\$46.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite the volatile financial markets and uncertain recovery trends in the Eurozone, coupled with the increasingly growing pressure from rising labour wages, shortage of labour and an appreciation of RMB, the Group managed to achieve healthy revenue growth and realised better sales performance towards the second half of the year. The past twelve months were challenging to the Group. In view of the uncertain global economic and the rising costs of labour and raw materials, the Group will strive to launch various credit controls, and further tighten the control of operating expenses, and while streamlining the binding and packaging processes and improving manufacturing efficiency with advanced machinery to minimise the labour cost and maximise the facility utilisation rate.

Barring unforeseen circumstances, the Group remains cautiously optimistic for FY2012.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

Name of Dividend	Interim	Final
Dividend Type	Not applicable	Not applicable
Dividend Amount per Share	Not applicable	Not applicable
Tax Rate	Not applicable	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Interim	Final (declared and paid in FY2011)
Dividend Type	Not applicable	Cash dividend



Year Ended 2011 Financial Statements and Dividend Announcement

Dividend Amount per Share	Not applicable	HK 3.60 cents per ordinary share*
Tax Rate	Not applicable	Not applicable

* Dividend per ordinary share was computed based on share capital of the Company of 122,209,373 ordinary shares.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

The Board of Directors does not recommend any dividends to be declared for the financial year

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer most recently financial statements, with comparative information for the immediately preceding year.

Segment revenue below represents revenue from external customers. There were no inter-segment sales during the years ended 31 December 2011 and 2010.

	Segment revenue		Segment profit	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Book products	152,312	110,861	33,821	33,663
Specialised products	105,547	90,816	22,331	25,781
Segment total	257,859	201,677	56,152	59,444

	Segment assets		Segment liabilities	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Book products	134,053	121,494	9,446	13,490
Specialised products	36,387	23,596	12,452	4,763
Segment total	170,440	145,090	21,898	18,253

	Depreciation and amortisation		Additions to non-current assets	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Book products	6,207	8,767	580	499
Specialised products	2,631	1,071	6,042	62
Segment total	8,838	9,838	6,622	561



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The total presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2011 HK\$'000	2010 HK\$'000
Reportable segment profit	56,152	59,444
Interest income	50	11
Unallocated corporate income	1,731	2,901
Directors' remuneration	(4,131)	(3,849)
Amortisation of leasehold land and land use rights	(129)	(124)
Unallocated corporate expenses	(47,454)	(31,590)
Finance costs	(1,617)	(2,051)
Profit before income tax	4,602	24,742
Reportable segment assets	170,440	145,090
Leasehold land and land use rights	5,629	5,474
Cash and cash equivalents	46,300	28,831
Current tax assets	337	-
Other corporate assets	96,779	66,627
Group assets	319,485	246,022
Reportable segment liabilities	21,898	18,253
Bank borrowings	63,270	34,682
Obligations under finance leases	2,024	10,834
Tax payables	1,110	108
Deferred tax liabilities	3,442	3,624
Other corporate liabilities	17,525	7,877
Group liabilities	109,269	75,378

Geographical location of customers is based on the location at which the customers reside. The Group's revenue from external customers is divided into the following geographical areas:

	2011 HK\$'000	2010 HK\$'000
PRC, including Hong Kong	145,006	119,648
United Kingdom	51,957	30,961
United States	23,794	31,582
Germany	17,903	10,889
Others	19,199	8,597
Total	257,859	201,677

During the years ended 31 December 2011 and 2010, there was no revenue from external customers attributed to Bermuda (domicile) and no non-current assets were located in Bermuda. The country of domicile is the country where the Company was incorporated for the purpose of the disclosures as required by IFRS 8 "Operating Segments".

Geographical location of non-current assets is based on the physical location of the asset. All of the Group's non-current assets are located in the PRC.



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14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

15. **A breakdown of sale-**

	Group		
	Year ended 2011/12/31	Year ended 2010/12/31	Increase / (Decrease)
	HKD'000	HKD'000	%
Revenue reported for the first half year	97,702	85,024	14.9
Profit attributable to owners of the Company for the first half year	5,196	5,665	(8.3)
Revenue reported for the second half year	160,157	116,653	37.3
Profit attributable to owners of the Company for the second half year	(4,054)	16,347	N/m

N/m: not meaningful

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	FY2011 HKD'000	FY2010 HKD'000
Ordinary	0	4,400
Preference	N/a	N/a
Total	0	4,400

N/a: not applicable

17. **Use of HK IPO proceeds**

The net proceeds from the HK IPO is approximately HK\$30.7 million after payment of transaction costs and listing expenses. Up to the date of this announcement, utilisation of the IPO net proceeds is as follows:

	Planned utilisation per Prospectus HKD'000	Utilisation HKD'000	Balance HKD'000
Expansion of production capacity	26,400	17,700	8,700
Expansion of sale and distribution network	1,550	0	1,550
General working capital	2,750	2,750	0
Total	30,700	20,450	10,250



18. Interested person transactions (“IPTs”)

Name of interested person and description of transaction	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions pursuant to the IPT Mandate (or a shareholders’ mandate for IPTs under Rule 920 of the New Listing Manual))	Aggregate value of all IPTs under the IPT Mandate (or a shareholders’ mandate for IPTs under Rule 920 of the New Listing Manual) during the financial year under review(excluding transactions less than \$100,000
Not applicable	Not applicable	Not applicable

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family Relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Sze Chun Lee	43	Brother-in-law of our Executive Director, Kwan Wing Hang	Executive Director and CEO, overseeing overall management and operations and responsible for strategic plans and future direction since 2006.	Not applicable
Kwan Wing Hang	50	Brother-in-law of our Executive Director and CEO, Sze Chun Lee	Executive Director, in charge of the specialised products business since 2006.	Not applicable

There is no other person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On Behalf of the Board

Thomas Sze
Executive Director and CEO
25 February 2012