NEW ISLAND PRINTING HOLDINGS LIMITED

新 洲 印 刷 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 377)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31st MARCH, 2012

ANNUAL RESULTS

The board of directors ("the Board") of New Island Printing Holdings Limited ("the Company") is pleased to announce the consolidated annual results of the Company and its subsidiaries ("the Group") for the year ended 31st March, 2012 together with comparative figures for the year ended 31st March, 2011.

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March,	*Note*	*2012* HK$'000	*2011* HK$'000
Turnover	3 & 4	634,132	570,333
Cost of sales		(523,301)	(462,777)
Gross profit		110,831	107,556
Other revenue		7,301	9,378
Other net gain	5	14,247	1,375
Selling and distribution costs		(38,248)	(33,965)
Administrative expenses		(67,120)	(61,458)
Profit from operations		27,011	22,886
Finance costs	6(a)	(2,094)	(2,306)
Profit before taxation	6	24,917	20,580
Income tax	7	(5,508)	(4,188)
Profit for the year		19,409	16,392
		========	========
Attributable to:			
Equity shareholders of the Company		19,114	16,316
Non-controlling interests		295	76
Profit for the year		19,409	16,392
		========	========
Earnings per share	9		
Basic		0.72 cents	0.68 cents
Diluted		0.72 cents	0.68 cents
		========	========

Details of the dividend payable and proposed for the year are disclosed in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March,	*2012* HK$'000	*2011* HK$'000
Profit for the year	19,409	16,392
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of nil tax	12,637	11,052
Total comprehensive income for the year	32,046	27,444
Attributable to:		
Equity shareholders of the Company	31,751	27,383
Non-controlling interests	295	61
Total comprehensive income for the year	32,046	27,444

CONSOLIDATED BALANCE SHEET

	Note	*As at 31st March, 2012* HK$'000	*As at 31st March, 2011* HK$'000
Non-current assets			
Fixed assets			
– Property, plant and equipment		340,999	255,942
– Interests in leasehold land held for own use under operating leases		18,763	18,793
		359,762	274,735
Deposits for purchases of machinery		4,356	4,684
Deferred tax assets		1,922	648
		366,040	280,067
Current assets			
Trading securities	10	41,039	-
Inventories		89,551	98,798
Trade and other receivables	11	120,175	102,460
Non-current assets held for sale	12	-	76,230
Cash and cash equivalents		88,737	100,620
		339,502	378,108
Current liabilities			
Bank loans		63,778	41,128
Obligations under finance leases		-	2,413
Trade and other payables	13	107,598	121,183
Bills payable		26,184	17,669
Current tax payable		12,798	4,318
		210,358	186,711
Net current assets		129,144	191,397
Total assets less current liabilities		495,184	471,464

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	*As at 31st March, 2012* HK$'000	*As at 31st March, 2011* HK$'000
Non-current liabilities			
Deferred tax liabilities		2,426	10,752
		2,426	10,752
NET ASSETS		492,758	460,712
CAPITAL AND RESERVES			
Share capital	14	26,653	26,653
Reserves		465,598	433,847
Total equity attributable to equity shareholders of the Company		492,251	460,500
Non-controlling interests		507	212
TOTAL EQUITY		492,758	460,712

NOTES

1. Basis of preparation

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31st March, 2012 but are extracted from those financial statements. The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

2. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKAS 24 (revised 2009), *Related party disclosures*

- Improvements to HKFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The developments related primarily to clarification of certain disclosure requirements applicable to the Group's financial statements. Except for the adoption of HKAS 24 (revised 2009) which clarifies and simplifies the definition of a related party, the adoption of the above revised standard and amendments have had no material impact on the contents of the Group's financial statements.

As a result of the adoption of HKAS 24 (revised 2009), certain entities are no longer considered to be related parties to the Group. This standard is applied retrospectively in accordance with the transitional provisions of HKAS 24 (revised 2009). Transactions conducted with such entities for the year ended 31st March, 2011 and balances with such entities as at 31st March, 2011 are therefore excluded from the disclosure note of related party transactions in the Group's financial statements.

3. Turnover

The principal activities of the Group are the printing and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products.

Turnover represents the invoiced value of goods sold, net of sales tax, returns and discounts.

4. Segment reporting

The Group manages its businesses by geographical areas. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Dongguan and Hong Kong: Printing and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products

- Shanghai: Printing and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all non-current and current assets with the exception of unallocated corporate assets. Segment liabilities include current and non-current liabilities attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31st March, 2012 and 2011 is set out below.

4. Segment reporting (continued)

(a) Reportable segment revenues, profit or loss, assets and liabilities:

	Dongguan and Hong Kong		*Shanghai*		*Total*	
	2012	*2011*	*2012*	*2011*	*2012*	*2011*
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	420,301	367,325	213,831	203,008	634,132	570,333
Inter-segment revenue	24,972	23,106	-	755	24,972	23,861
Reportable segment revenue	445,273	390,431	213,831	203,763	659,104	594,194
Reportable segment profit	13,999	3,276	5,170	13,263	19,169	16,539
Reportable segment assets	407,545	413,748	259,600	256,348	667,145	670,096
Reportable segment liabilities	199,730	174,471	30,686	34,913	230,416	209,384

4. Segment reporting (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities:

	2012 HK$'000	*2011* HK$'000
Revenue		
Reportable segment revenue	659,104	594,194
Elimination of inter-segment revenue	(24,972)	(23,861)
Consolidated turnover	634,132	570,333
Profit		
Reportable segment profit	19,169	16,539
Elimination of inter-segment profit	-	(147)
Reportable segment profit derived from the Group's external customers	19,169	16,392
Unallocated corporate profit	240	-
Consolidated profit	19,409	16,392
Assets		
Reportable segment assets	667,145	670,096
Elimination of inter-segment receivables	(17,652)	(11,921)
	649,493	658,175
Unallocated corporate assets	56,049	-
Consolidated total assets	705,542	658,175
Liabilities		
Reportable segment liabilities	230,416	209,384
Elimination of inter-segment payables	(17,652)	(11,921)
	212,764	197,463
Unallocated corporate liabilities	20	-
Consolidated total liabilities	212,784	197,463

4. Segment reporting (continued)

(c) Geographical information

As the Group's business participates in only one geographical location classified by the location of assets, i.e. the People's Republic of China ("the PRC"), including Hong Kong, no separate geographical segment analysis based on the location of assets is presented. The following table sets out information about the geographical location of revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered to.

	2012	*2011*
	HK$'000	HK$'000
Hong Kong	109,552	91,024
Other areas of the PRC	277,263	261,858
United States	116,267	125,519
Europe	66,222	34,081
Other countries	64,828	57,851
	634,132	570,333

5. Other net gain

	2012	*2011*
	HK$'000	HK$'000
Net gain/(loss) on disposal of		
- land and buildings	13,911	264
- other fixed assets	147	(230)
	14,058	34
Net unrealised gain on trading securities	467	-
Net exchange (loss)/gain	(278)	1,341
	14,247	1,375

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2012 HK$'000	*2011* HK$'000
(a)Finance costs		
Interest on bank advances and other borrowings wholly repayable within five years	1,530	2,239
Finance charges on obligations under finance leases	15	67
Interest on other bank loans	549	-
	2,094	2,306

	2012 HK$'000	*2011* HK$'000
(b)Staff costs (excluding directors' remuneration)#		
Contributions to defined contribution retirement plans	11,585	9,079
Salaries, wages and other benefits	149,354	120,930
	160,939	130,009

6. Profit before taxation (continued)

Profit before taxation is arrived at after charging/(crediting): (continued)

	2012	*2011*
	HK$'000	HK$'000
(c)Other items:		
Cost of inventories sold #	523,301	462,777
Auditor's remuneration		
– audit services	1,344	1,055
– tax services	227	189
– other services	17	101
Depreciation #		
– owned assets	38,660	35,261
– assets held under finance leases	917	1,886
Amortisation of land lease premium #	717	890
Operating lease charges for land and buildings #	2,685	2,441
Impairment loss on trade debtors	13	-
Reversal of impairment loss on trade debtors	(785)	(11)
Net loss/(gain) on forward exchange contracts	37	(940)

\# Cost of inventories includes HK$150,725,000 (2011: HK$123,644,000) relating to staff costs, depreciation expenses, amortisation of land lease premium, and operating lease charges, which amount is also included in the respective amounts disclosed separately above for each of these types of expenses.

7. Income tax in the consolidated income statement

(a) Taxation in the consolidated income statement represents:

	2012	*2011*
	HK$'000	HK$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	10,699	1,455
Over-provision in respect of prior years	-	(817)
	10,699	638
Current tax - Outside Hong Kong		
Provision for the year	4,390	5,219
Deferred tax		
Origination and reversal of temporary differences	(9,581)	(1,669)
	5,508	4,188

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax for the year ended 31st March, 2012 is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the year.

PRC Corporate Income Tax

The Company's subsidiaries in the PRC are subject to PRC Corporate Income Tax.

The statutory income tax rate adopted by the Company's subsidiaries in the PRC is 25% with effect from 1st January, 2008. A subsidiary of the Company, New Island (Shanghai) Paper Products Company Limited ("NISPP"), has been granted a tax holiday where it is fully exempted from PRC Corporate Income Tax for two years from its first profit-making year of operations and then subject to a reduced tax rate at 50% of the applicable income tax rate for the following three years. NISPP has its first profit-making year for tax purpose in the calendar year ended 31st December, 2007. NISPP enjoys the remaining tax holiday until its expiry on 31st December, 2011.

7. Income tax in the consolidated income statement (continued)

(a) Taxation in the consolidated income statement represents: (continued)

Bermuda tax

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in Bermuda.

United States tax

The Company's subsidiaries in the United States ("U.S.") are subject to U.S. Corporate Income Tax at a tax rate of 15% (2011: 15%).

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2012 HK$'000	*2011* HK$'000
Profit before taxation	24,917	20,580
Notional tax on profit before tax, calculated at the rates applicable to profits in the jurisdictions concerned	4,784	3,957
Tax effect of non-deductible expenses	2,125	1,410
Tax effect of non-taxable revenue	(768)	(35)
Tax effect of utilisation of prior years' unrecognised tax losses	-	(327)
Tax effect of recognition of previously unrecognised temporary differences	(633)	-
Over-provision in respect of prior years	-	(817)
Actual tax expense	5,508	4,188

8. Dividends

The directors of the Company do not recommend the payment of a final dividend for the year ended 31st March, 2012 (2011: HK$Nil per share).

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company for the year of HK$19,114,000 (2011: HK$16,316,000) and the weighted average of 2,665,290,000 (2011: 2,386,824,000) ordinary shares outstanding during the year, calculated as follows:

	Number of shares	
	2012	*2011*
	’000	’000
Issued ordinary shares at 1st April	2,665,290	222,529
Effect of placement of new shares (note 14(a))	-	16,154
Effect of share subdivision (note 14(c))	-	2,148,141
Weighted average number of ordinary shares at 31st March	2,665,290	2,386,824

(b) Diluted earnings per share

There were no dilutive potential shares during the years ended 31st March, 2012 and 2011, and diluted earnings per share are the same as basic earnings per share.

10. Trading securities

	2012	*2011*
	HK$’000	HK$’000
Listed equity securities at fair value		
- in Hong Kong	41,039	-

Investments in trading securities are stated at fair value at the balance sheet date and the Group is exposed to equity price changes arising from trading securities.

11. Trade and other receivables

	2012	*2011*
	HK$'000	HK$'000
Trade debtors	103,613	103,440
Less: Allowance for doubtful debts	(7,755)	(8,520)
	95,858	94,920
Other receivables	6,561	5,137
Deposits and prepayments	17,705	1,520
	120,124	101,577
Derivative financial instruments	51	883
	120,175	102,460

All trade and other receivables, apart from deposits of the Group amounting to HK$1,262,000 (2011: HK$804,000), are expected to be recovered or recognised as expenses within one year. Included in deposits and prepayments is a deposit of HK$15,000,000 for the consideration of acquiring 70% equity interests in CEPA Alliance Holdings Limited. Please refer to the "Capital Commitments" section for details of the transaction. Other receivables, deposits and prepayments are neither past due nor impaired.

(a)Ageing analysis

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis:

	2012	*2011*
	HK$'000	HK$'000
Current	92,285	90,460
Less than one month past due	1,284	1,623
One to three months past due	1,761	2,709
Over three months past due	528	128
	95,858	94,920

In respect of trade debtors, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are due 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

12. Non-current assets held for sale

On 22nd December, 2010, the Group entered into a sale and purchase agreement with an independent third party for disposing of a property to the buyer at a consideration of HK$108,000,000. The property was expected to be sold within twelve months from 22nd December, 2010, and had been classified as non-current assets held for sale and presented separately in the consolidated balance sheet at 31st March, 2011.

At 31st March, 2011, the property was not impaired as the estimated net proceeds exceeded the net carrying amount.

The sale of the property was completed on 1st November, 2011 and a gain on disposal of HK$13,911,000 was recognised in profit or loss for the year ended 31st March, 2012.

13. Trade and other payables

	2012 HK$'000	*2011* HK$'000
Trade creditors	59,205	69,060
Other payables and accrued charges	48,393	52,123
	107,598	121,183

All of the trade and other payables are expected to be settled within one year.

Included in trade and other payables are trade creditors with the following ageing analysis:

	2012 HK$'000	*2011* HK$'000
Current and less than one month past due	49,103	43,485
One to three months past due	7,718	23,244
More than three months past due	2,384	2,331
	59,205	69,060

14. Share capital

	Note	*Ordinary shares* '000	*Amount* HK$'000
Authorised:			
380,000,000 shares of HK$0.1 each at 1st April, 2010		380,000	38,000
Increase in authorised share capital	(b)	3,620,000	362,000
Share subdivision	(c)	36,000,000	-
40,000,000,000 shares of HK$0.01 each at 31st March, 2011 and 2012		40,000,000	400,000
Issued and fully paid:			
222,529,000 shares of HK$0.1 each at 1st April, 2010		222,529	22,253
Share placement	(a)	44,000	4,400
Share subdivision	(c)	2,398,761	-
2,665,290,000 shares of HK$0.01 each at 31st March, 2011 and 2012		2,665,290	26,653

(a) On 17th November, 2010, a placement of 44,000,000 new shares at par value of HK$0.1 each was completed. The placing price was HK$2.3 per share. The difference between the placing price and the par value of the issued shares, after deduction of shares issuance expenses, of HK$94,170,000 was recognised in share premium account.

(b) Pursuant to a resolution passed at a Special General Meeting held on 20th December, 2010, the authorised share capital of the Company was approved to increase from HK$38,000,000 divided into 380,000,000 shares to HK$400,000,000 divided into 4,000,000,000 shares.

(c) Pursuant to a resolution passed at a Special General Meeting held on 20th December, 2010, a share subdivision (the "Share Subdivision") was approved. Each of the existing issued and unissued shares of HK$0.1 each in the share capital of the Company was subdivided into 10 shares of HK$0.01 each. On 20th December, 2010, the authorised share capital of the Company was HK$400,000,000 dividend into 4,000,000,000 shares, of which 266,259,000 shares were issued and fully paid. On this basis, immediately after the Share Subdivision, the authorised share capital of the Company comprised 2,665,290,000 issued shares and 37,334,710,000 unissued shares of par value HK$0.01 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. Non-adjusting post balance sheet event

Since the balance sheet date and as at the date of this announcement, the market value of the listed equity securities held by the Group, which are classified as financial assets at fair value through profit or loss in the consolidated balance sheet (see note 10), declined by approximately HK$19,624,000 based on the closing market price of these listed equity securities as at the date of this announcement.

BUSINESS REVIEW AND OUTLOOK

Despite the macroeconomic environment being clouding with uncertainties, the Group reported turnover of approximately HK$634.1 million for the year under review ("Review Year"), an increase of approximately 11.2% compared to approximately HK$570.3 million for the last corresponding year ("Corresponding Year"), for which the sales to Europe has almost doubled. Attributable not only to the continued strategic efforts made in developing the customer base in Europe, but also the Group's renowned strength in producing delicate packaging products, in particular high-end cosmetic products, which further reflects the superior market position of the Group and appropriate business strategy adopted.

Gross profit margin, however, has slightly smoothened down to approximately 17.5% during the Review Year from approximately 18.9% during the Corresponding Year. In addition to the gentle appreciation of Renminbi in which our major production costs are denominated, delicate packaging products inevitably associate with high labour content in the manufacturing process, and labour wages and associated costs have been rising rapidly and significantly with respect to national policy, statutory requirement, improving living standard and inflation in the People's Republic of China ("the PRC") which could not be fully shifted to customers. Accordingly, gross profit only slightly increased by approximately 3.0% to approximately HK$110.8 million for the Review Year.

In line with the increase in turnover, selling and distribution costs during the Review Year increased by approximately 12.6% to approximately HK$38.2 million, standing at approximately 6.0% of turnover. Notwithstanding stringent cost control measures adopted by the Group under difficult operating conditions, in the absence of one-off legal and professional fee of approximately HK$2.8 million incurred in the Corresponding Year and having accounted for the increase in staff-related costs of approximately HK$5.4 million, increase in depreciation related to the new head office of approximately HK$1.2 million and increase in the PRC local government taxes and administration fees of approximately HK$1.8 million, administrative expenses have increased by approximately 9.2% to approximately HK$67.1 million during the Review Year.

In spite of the general increase in bank interest rates during the Review Year, finance costs declined by approximately 9.2% to approximately HK$2.1 million. If the impact of mortgage interest for the financing of new head office of approximately HK$0.5 million during the Review Year was excluded, finance costs would have substantially reduced by approximately 33.0% from the Corresponding Year to approximately HK$1.6 million during the Review Year. This revealed the Group's stringent cash flow management and effective credit control in place.

Owing to the disposal of the previous head office in Yuen Long during the Review Year, a gain on disposal of approximately HK$13.9 million has been accounted for in other net gain, whereas the disposal has also ceased the rentals receivable accounted for in other revenue, causing the decrease in other revenue by approximately HK$2.8 million.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

As a result of the combined effects of the foregoing, profit before tax for the Review Year increased to approximately HK$24.9 million. Accordingly, income tax expense increased to approximately HK$5.5 million during the Review Year from approximately HK$4.2 million during the Corresponding Year. As a result, profit attributable to equity shareholders increased to approximately HK$19.1 million for the Review Year.

Apart from the increase in profit attributable to equity shareholders which positively impacted the operating cashflows and proceeds of approximately HK$90.5 million from disposal of fixed assets, the Group has expended approximately HK$157.5 million on investing activities, including approximately HK$28.5 million on upgrading and acquisition of machinery and equipment to improve production efficiency, approximately HK$84.0 million on acquisition of land and buildings and approximately HK$40.6 million on investment in trading securities. Further discussion on the Group's capital structure and management, liquidity and leverage is set out in the section headed "Financial and Capital Resources".

Evidently the gears of the global economy are slowing in unison. With the global economic slowdown going on, businesses envisage diminishing turnover by experiencing depressing short-term demand and growth. Meanwhile, the change in economic focus and policy in the PRC to domestic consumption in respond to the darkening global economy will undoubtedly further translate into additional cost pressure of the Group. In the midst of uncertainties, the Group will remain cautious and strive to sustain its prolific results and to capture any valuable investment opportunities with all its effort under the difficult market environment, so as to maximise its value added to shareholders.

FINANCIAL AND CAPITAL RESOURCES

Capital structure

As at 31st March, 2012, the Group had bank borrowings denominated in Hong Kong dollars, totaling approximately HK$90.0 million (2011: HK$61.2 million). Of these borrowings, approximately HK$43.2 million (2011: HK$40.1 million) were secured by fixed assets with an aggregate carrying value of approximately HK$76.9 million (2011: fixed assets and trade debtors of HK$117.3 million).

As at 31st March, 2012, the Group had total equity of HK$492.8 million (2011: HK$460.7 million).

Liquidity and leverage

As at 31st March, 2012, the Group had current assets of HK$339.5 million (2011: HK$378.1 million) comprising cash and cash equivalents of HK$88.7 million (2011: HK$100.6 million), and current liabilities of HK$210.4 million (2011: HK$186.7 million). The Group's current ratio (defined as current assets divided by current liabilities) was at a healthy ratio of 1.6 (2011: 2.0)

FINANCIAL AND CAPITAL RESOURCES (CONTINUED)

Liquidity and leverage (continued)

The Group's gearing ratio is defined by its net debt-to-capital ratio (defined as total interest-bearing borrowings less cash and cash equivalents divided by total equity) of the Group as at 31st March, 2012 which was approximately 0.2% (2011: -8.6%).

The Directors are of the opinion that the Group will be able to generate adequate cash flow from its operations and to secure necessary facilities from the banks to meet its ongoing obligations and commitments.

Capital investments

During the Review Year, the Group expended a total of approximately HK$116.9 million (2011: HK$32.0 million) on fixed asset investments, of which approximately HK$84.0 million (2011: HK$0.1 million) was on land and buildings. These fixed asset investments and the daily operating activities of the Group were funded by retained earnings, bank borrowings and by the cash flow generated from the Group's operations.

Foreign currency management

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong Dollars, Renminbi and US Dollars. The Group maintained a prudent position in its foreign currency risk management. To a large extent, foreign exchange risks were minimised by matching the foreign currency monetary assets versus the corresponding currency monetary liabilities, and foreign currency revenues versus the corresponding currency expenditures.

The Group has entered into various financial derivative instruments in order to mitigate foreign exchange rate exposure. The use of derivative financial instruments is strictly monitored and controlled. In light of the above, it is considered that the Group's exposure to foreign exchange risk is not significant.

CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2012 not provided for in the financial statements were as follows:

	2012	*2011*
	HK$'000	HK$'000
Contracted for	26,359	17,036
	=========	=========

On 16th February, 2012, the Group entered into a sale and purchase and subscription agreement ("the Agreement") with CEPA Alliance Holdings Limited ("CEPA Holdings") and three existing shareholders of CEPA Holdings ("the Vendors") to acquire 6,000 issued shares (representing 66.67% of the issued share capital) of CEPA Holdings from the Vendors at a consideration of HK$30,000,000 and to subscribe for 1,000 allotted shares of CEPA Holdings at a consideration of HK$5,000,000. Upon completion of the acquisition, the Group shall hold 70% of the then issued share capital of CEPA Holdings.

At 31st March, 2012, the acquisition has not been completed and is subject to fulfilment of certain conditions in the Agreement. Pursuant to the Agreement, the Group paid a deposit of HK$15,000,000 (see note 11 to the annual results) to the Vendors for the acquisition on 17th February, 2012. At 31st March, 2012, the Group has an outstanding capital commitment of HK$20,000,000 for the remaining consideration for the acquisition.

STAFF

As at 31st March, 2012, the Group had a total staff of 2,692 (2011: 2,805) of which 2,634 (2011: 2,745) were employed in the PRC for the Group's manufacturing and distribution businesses.

The Group provides employee benefits such as staff insurance, retirement schemes and discretionary bonus and also provides in-house training programmes and external training sponsorship.

CORPORATE GOVERNANCE

The Company has complied with the code provisions in the Code on Corporate Governance Practices ("the CG Code') contained in Appendix 14 of the Listing Rules during the year ended 31st March, 2012 except one deviation for which Mr. Lo Ming Chi, Charles has been appointed as the Chairman and Chief Executive Officer of the Company. The corresponding deviation in Code Provision A.2.1 is explained below. Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. The Company has deviated from the Code Provision in this respect that Mr. Lo Ming Chi, Charles is both the Chairman and CEO of the Company. The respective responsibilities of the Chairman and the CEO, however, are clearly set out in writing and approved by the Board. Given the Group's current stage of development, the Board considers that vesting the roles of Chairman and CEO in the same person facilitates the execution of the Group's business strategies and maximises the effectiveness of its operation. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31st March, 2012.

AUDIT COMMITTEE

The audit committee comprises three Independent Non-executive Directors and reports directly to the Board. The audit committee meets regularly with the Group's senior management and the Company's external auditors to review the financial reporting and internal control systems of the Group as well as the financial statements of the Company. The audit committee has reviewed the annual results of the Group for the year ended 31st March, 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31^{st} March, 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31^{st} March, 2012 (2011: HK$Nil per share).

PUBLICATION OF FINAL RESULTS AND 2012 ANNUAL REPORT

The final results announcement of the Company is published on the websites of The Stock Exchange of Hong Kong Limited ("Stock Exchange") (http://www.hkexnews.hk) and the Company (http://www.newisland.com). The annual report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.newisland.com) in due course.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Company will be held on 15^{th} August, 2012. A notice convening the AGM will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.newisland.com) and will be dispatched to the shareholders of the Company.

By Order of the Board
New Island Printing Holdings Limited
LO Ming Chi, Charles
Chairman and Chief Executive Officer

Hong Kong, 27^{th} June, 2012

As at the date of this announcement, the Board comprises Mr. Lo Ming Chi, Charles (Chairman and Chief Executive Officer) and Ms. Chan Yuk Yee as Executive Directors; and Dr. Wong Yun Kuen, Mr. Pun Chi Ping and Mr. Ip Man Tin, David as Independent Non-executive Directors.