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, 2013

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, 2013 together with comparative figures for the year ended 31st March, 2012.

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March,	*Notes*	*2013* HK$'000	*2012* HK$'000
Turnover	3 & 4	661,581	634,132
Cost of sales		(527,768)	(523,301)
Gross profit		133,813	110,831
Other revenue	5	2,058	7,301
Other net (loss)/gain	5	(18,330)	14,247
Selling and distribution costs		(43,735)	(38,248)
Administrative expenses		(74,511)	(67,120)
(Loss)/Profit from operations		(705)	27,011
Finance costs	6(a)	(2,217)	(2,094)
(Loss)/Profit before taxation	6	(2,922)	24,917
Income tax	7	(6,346)	(5,508)
(Loss)/Profit for the year		(9,268)	19,409
		========	========
Attributable to:			
Equity shareholders of the Company		(8,952)	19,114
Non-controlling interests		(316)	295
(Loss)/Profit for the year		(9,268)	19,409
		========	========
		HK cents	HK cents
(Loss)/Earnings per share	9		
Basic		(0.34)	0.72
Diluted		(0.34)	0.72
		========	========

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,	*2013* HK$'000	*2012* HK$'000
(Loss)/Profit for the year	(9,268)	19,409
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of nil tax	4,426	12,637
Total comprehensive (loss)/income for the year	(4,842)	32,046
Attributable to:		
Equity shareholders of the Company	(4,526)	31,751
Non-controlling interests	(316)	295
Total comprehensive (loss)/income for the year	(4,842)	32,046

CONSOLIDATED BALANCE SHEET

As at 31st March,	*Notes*	*2013*	*2012*
		HK$'000	HK$'000
Non-current assets			
Fixed assets			
– Property, plant and equipment		323,410	340,999
– Prepaid leasehold land held for own use under operating leases		18,230	18,763
		341,640	359,762
Goodwill		930	-
Intangible assets		1,260	-
Deposits for purchases of machineries		9,891	4,356
Other assets		2,230	-
Deferred tax assets		2,149	1,922
		358,100	366,040
Current assets			
Trading securities	10	30,131	41,039
Inventories		74,944	89,551
Trade and other receivables	11	163,228	120,175
Current tax recoverable		268	-
Cash held on behalf of brokerage clients		24,358	-
Cash and cash equivalents		87,094	88,737
		380,023	339,502
Current liabilities			
Bank loans		70,692	63,778
Trade and other payables	12	127,092	107,598
Bills payable		32,517	26,184
Current tax liabilities		3,848	12,798
		234,149	210,358
Net current assets		145,874	129,144
Total assets less current liabilities		503,974	495,184

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31st March,	*Notes*	*2013* HK$'000	*2012* HK$'000
Non-current liabilities			
Deferred tax liabilities		1,522	2,426
		1,522	2,426
NET ASSETS		502,452	492,758
CAPITAL AND RESERVES			
Share capital	13	26,653	26,653
Reserves		461,026	465,598
Total equity attributable to equity shareholders of the Company		487,679	492,251
Non-controlling interests		14,773	507
TOTAL EQUITY		502,452	492,758

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, 2013 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 several amendments to HKFRSs 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:

- Amendments to HKFRS 7, Financial instruments: Disclosures – Transfers of financial assets

- Amendments to HKAS 12, Income taxes – Deferred tax: Recovery of underlying assets

These amendments do not have any material impact on the financial statements in the current and previous periods.

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

3. Turnover

The principal activities of the Group are (1) printing and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (2) provision of brokerage of securities services; (3) provision of finance, and (4) securities investments. Turnover represents the invoiced value of goods sold, commission and brokerage income, interest income from margin financing from the provision of brokerage securities services and interest income from the provision of finance, net of sales tax, returns and discounts. The Group's significant category of turnover recognized during the year is as follows:

	2013	*2012*
	HK$'000	HK$'000
Sales of printing products	654,981	634,132
Commission and brokerage income	2,002	-
Interest income from margin financing	4,433	-
Interest income from provision of finance	165	-
	661,581	634,132

4. Segment reporting

The Group manages its businesses by divisions, which are organized by a mixture of both business lines and geography. 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 identified the following four reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Printing: Printing and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products in Hong Kong, Dongguan, Shanghai and Wunan.

- Provision of brokerage services: Provision of securities brokerage and margin financing services

- Provision of financing services: Provision of finance

- Securities investment: Investment activities in equity securities

4. Segment reporting (continued)

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. Segment liabilities include current and non-current liabilities attributable to the individual segments.

Turnover 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, 2013 and 2012 is set out below.

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

	Printing		Provision of brokerage services		Provision of financing services		Securities investment		Total	
For the year ended	*2013*	*2012*	*2013*	*2012*	*2013*	*2012*	*2013*	*2012*	*2013*	*2012*
	HK$'000	HK$'000 (restated)	HK$'000	HK$'000 (restated)	HK$'000	HK$'000 (restated)	HK$'000	HK$'000 (restated)	HK$'000	HK$'000
Reportable segment turnover	654,981	634,132	6,435	-	165	-	-	-	661,581	634,132
Reportable segment (loss)/profit	5,302	19,168	(765)	-	105	(17)	(13,898)	274	(9,256)	19,425
Bank interest income	649	988	25	-	-	-	-	-	674	988
Depreciation and amortization	(39,134)	(40,294)	(164)	-	-	-	-	-	(39,298)	(40,294)
Finance cost	(2,217)	(2,094)	-	-	-	-	-	-	(2,217)	(2,094)
(Loss)/Gain on disposal of property, plant and equipment	(1,700)	14,058	(17)	-	-	-	-	-	(1,717)	14,058
Write-down of inventories	(3,405)	(1,462)	-	-	-	-	-	-	(3,405)	(1,462)
Reportable segment assets	675,433	705,290	90,476	-	2,173	2	30,140	41,047	798,222	746,339
Reportable segment liabilities	208,317	212,764	41,567	-	2,086	19	43,764	40,773	295,734	253,556

4. Segment reporting (continued)

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

	2013 HK$'000	*2012* HK$'000 (restated)
(Loss)/Profit		
Reportable segment (loss)/profit derived from the Group's external customer	(9,256)	19,425
Unallocated corporate loss	(12)	(16)
Consolidated total (loss)/profit	(9,268)	19,409

	2013 HK$'000	*2012* HK$'000 (restated)
Assets		
Reportable segment assets	798,222	746,339
Elimination of inter-segment receivables	(95,099)	(55,797)
	703,123	690,542
Unallocated corporate assets	35,000	15,000
Consolidated total assets	738,123	705,542
Liabilities		
Reportable segment liabilities	295,734	253,556
Elimination of inter-segment payables	(95,099)	(55,797)
	200,635	197,759
Unallocated corporate liabilities	35,036	15,025
Consolidated total liabilities	235,671	212,784

4. Segment reporting (continued)

The Group has amended the format of management information provided to the chief operating decision-maker for the purpose of assessing the performance of the operating segments due to the acquisition of subsidiaries that are engaged in the provision of brokerage services and set up of new subsidiaries that are engaged in the provision of financing services. As a result, the basis of segmentation has been changed from geographical segment reporting in the prior year to business line segment reporting in the current year.

(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 turnover from external customers. The geographical location of customers is based on the location at which the goods are delivered to.

	2013	*2012*
	HK$'000	HK$'000
PRC		
- Hong Kong	111,921	109,552
- Other areas of the PRC	319,022	277,263
	430,943	386,815
United States	108,351	116,267
Europe	49,148	66,222
Other countries	73,139	64,828
	661,581	634,132

5. Other revenue and net (loss)/gain

	2013 HK$'000	*2012* HK$'000
Other revenue		
Rentals receivable from operating leases	-	4,690
Bank interest income	674	988
Other income	1,384	1,623
	2,058	7,301
Other net (loss)/gain		
Net (loss)/gain on disposal of		
- land and buildings	-	13,911
- other fixed assets	(1,717)	147
	(1,717)	14,058
Net unrealized (loss)/gain on trading securities	(16,192)	467
Net exchange loss	(421)	(278)
	(18,330)	14,247

6. (Loss)/Profit before taxation

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

	2013 HK$'000	*2012* HK$'000
(a)Finance costs		
Interest on bank advances and other borrowings wholly repayable within five years	1,379	1,530
Finance charges on obligations under finance leases	-	15
Interest on other bank loans	838	549
	2,217	2,094

6. (Loss)/Profit before taxation (continued)

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

	2013	*2012*
	HK$'000	HK$'000
(b)Staff costs (excluding directors' remuneration)#		
Contributions to defined contribution retirement plans	13,061	11,585
Salaries, wages and other benefits	159,811	149,354
	172,872	160,939

(c)Other items:

Cost of inventories sold #	527,768	523,301
Auditor's remuneration		
– audit services	924	1,344
– tax services	28	227
– other services	-	17
Depreciation #		
– owned assets	38,573	38,660
– assets held under finance leases	-	917
Amortisation of land lease premium #	725	717
Operating lease charges for land and buildings #	5,134	2,685
Impairment loss on trade debtors	-	13
Reversal of impairment loss on trade debtors	(11)	(785)
Net loss on forward exchange contracts	-	37

\# Cost of inventories includes HK$159,293,000 (2012: HK$150,725,000) 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:

	2013	*2012*
	HK$'000	HK$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	223	10,699
Under-provision in respect of prior years	46	-
	269	10,699
Current tax - Outside Hong Kong		
Provision for the year	6,992	4,390
Under-provision in respect of prior years	214	-
	7,206	4,390
Deferred tax		
Origination and reversal of temporary differences	(1,129)	(9,581)
	6,346	5,508

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax for the year ended 31st March, 2013 is calculated at 16.5% (2012: 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 the 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/Samoa tax

Pursuant to the rules and regulations of Bermuda and Samoa, the Company and the Company's subsidiaries are not subject to any income tax in Bermuda and Samoa.

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% (2012: 15%).

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

	2013 HK$'000	*2012* HK$'000
(Loss)/Profit before taxation	(2,922)	24,917
Notional tax on (loss)/profit before tax, calculated at the rates applicable to profits in the jurisdictions concerned	1,212	4,784
Tax effect of non-deductible expenses	2,884	2,125
Tax effect of non-taxable revenue	(90)	(768)
Tax effect of unused tax losses not recognized	2,615	-
Tax effect of recognition of previously unrecognized temporary differences	(535)	(633)
Under-provision in respect of prior years	260	-
Actual tax expense	6,346	5,508

8. Dividends

The directors of the Company do not recommend the payment of a final dividend for the year ended 31st March, 2013 (2012: HK$ Nil per share).

9. (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the consolidated loss attributable to equity shareholders of the Company for the year of HK$8,952,000 (2012: profit of HK$19,114,000) and on the number of 2,665,290,000 (2012: 2,665,290,000) shares in issue during the year.

(b) Diluted (loss)/earnings per share

There were no dilutive potential shares during the years ended 31st March, 2013 and 2012, and diluted (loss)/earnings per share are the same as basic (loss)/earnings per share.

10. Trading securities

	2013	*2012*
	HK$'000	HK$'000
Listed equity securities at fair value		
- in Hong Kong	30,131	41,039

Investments in trading securities are stated at fair value at the balance sheet date.

11. Trade and other receivables

	2013	*2012*
	HK$'000	HK$'000
Trade debtors	161,699	103,613
Less: Allowance for doubtful debts	(7,747)	(7,755)
	153,952	95,858
Other receivables	5,991	6,561
Deposits and prepayments	3,285	17,705
	163,228	120,124
Derivative financial instruments	-	51
	163,228	120,175

All trade and other receivables, apart from deposits of the Group amounting to HK$1,249,000 (2012: HK$1,262,000), are expected to be recovered or recognized as expenses within one year. In year 2012, 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. Other receivables, deposits and prepayments are neither past due nor impaired.

The trade debtors as at 31st March, 2013 consisted of receivables from customers of the securities brokerage business amounting to HK$39,794,000, of which loans to margin clients is amounting to HK$26,201,000 (2012: HK$ Nil).

The loans to margin clients bear variable interest at commercial rate and are current and repayable on demand. Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities for securities trading. Any excess in the lending ratio will trigger a margin call which the clients have to make good the shortfall. The amount of credit facilities granted to them is determined by the discounted value of securities accepted by the Group. At 31st March 2013, the total undiscounted market value of securities pledged as collateral in respect of the loans to margin clients was approximately HK$78,718,000 (2012: HK$ Nil).

11. Trade and other receivables (continued)

Ageing analysis

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

	2013	*2012*
	HK$'000	HK$'000
Current	144,063	92,285
Less than one month past due	3,171	1,284
One to three months past due	4,584	1,761
Over three months past due	2,134	528
	153,952	95,858

The credit terms of receivables from customers of the securities brokerage business were in accordance with the securities brokerage industry practice. In respect of trade debtors other than that arise from the brokerage services, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from these customers.

12. Trade and other payables

	2013 HK$'000	*2012* HK$'000
Trade creditors	74,961	59,205
Other payables and accrued charges	52,131	48,393
	127,092	107,598

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:

	2013 HK$'000	*2012* HK$'000
Current and less than one month past due	69,853	49,103
One to three months past due	4,050	7,718
More than three months past due	1,058	2,384
	74,961	59,205

Trade payables to certain margin and cash clients arising from the business of dealing in securities bear variable interest at commercial rates, and are repayable on demand subsequent to settlement date.

At 31st March, 2013, included in trade creditors, there was an amount of approximately HK$24,358,000 (2012: HK$ Nil) in respect of the clients' undrawn monies which arose from securities brokerage transactions. The amount is repayable on demand.

13. Share capital

	Ordinary shares '000	*Amount* HK$'000
Authorised:		
40,000,000,000 shares of HK$0.01 each at 31st March, 2012 and 2013	40,000,000	400,000
Issued and fully paid:		
2,665,290,000 shares of HK$0.01 each at 31st March, 2012 and 2013	2,665,290	26,653

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.

14. Non-adjusting post balance sheet events

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 trading securities in the consolidated balance sheet, declined by approximately HK$8,800,000 based on the closing market price of these listed equity securities as at the date of this announcement.

In addition, the Group has entered into a preliminary sale and purchase agreement with an independent third party for the acquisition of a property located in Hong Kong at a total cash consideration of HK$ 27,000,000 subsequent to 31st March 2013.

15. Comparative figures

Certain comparative figures have been adjusted in order to conform to the current year's presentation.

BUSINESS REVIEW AND OUTLOOK

Despite the macroeconomic environment being clouding with uncertainties, the Group reported turnover of approximately HK$661.6 million for the year under review ("Review Year"), which mainly comprised of turnover from sales of printing products of approximately HK$655.0 million, provision of brokerage of securities services approximately HK$6.4 million and provision of finance approximately HK$0.2 million. The sale of printing products slightly increased by approximately 3.3% compared to approximately HK$634.1 million for the last corresponding year ("Corresponding Year") for which the sales to PRC exclude HK representing a growth of 15.1%. Attributable not only to the continued strategic efforts made in developing the customer base in PRC, but also the Group's renowned strength in producing delicate packaging products, which further reflects the superior market position of the Group and appropriate business strategy adopted.

Gross profit margin has risen to approximately 20.2% during the Review Year from approximately 17.5% during the Corresponding Year. Gross profit increased by approximately 20.7% to approximately HK$133.8 million for the Review Year, it mainly contributed to our prudent cost control, improved efficiency by automation and the shifting production site to a lower production cost.

In line with the increase in turnover, selling and distribution costs during the Review Year increased by approximately 14.3% to approximately HK$43.7 million, standing at approximately 6.6% of turnover, it is due to freight with different terms of sales and increase in parallel with increase of sale, increase of commission and additional staff cost for business development. Notwithstanding stringent cost control measures adopted by the Group under difficult operating conditions, having accounted for the increase in payment to local authorities, one-off property tax paid in addition to the inclusion of administrative cost of the subsidiaries acquired during the year review, administrative expenses have increased by approximately 11.0% to approximately HK$74.5 million during the Review Year.

Finance costs increased by approximately 5.9% to approximately HK$2.2 million. It was due to increase of interest rate from our bankers during the year under review.

The substantial decrease in net change in fair values of listed trading securities due to the substantial decrease in the market prices of certain listed securities held by the Group recorded a substantial unrealized loss of approximately HK$16.2 million during the Review Year, which has been accounted in other net (loss)/gain where as there is no one-off gain recognized by the Group for the year from the disposal of land and buildings amounted to approximately HK$13.9 million recorded in the Corresponding Year.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

As a result of the combined effects of the foregoing, loss before tax for the Review Year increased to approximately HK$2.9 million. Accordingly, income tax expense increased to approximately HK$6.3 million during the Review Year from approximately HK$5.5 million during the Corresponding Year. As a result, profit attributable to equity shareholders in Corresponding Year reduced to loss approximately HK$9.0 million for the Review Year.

During the Review Year, the Group acquired 70% equity interest in CEPA Alliance Holdings Limited ("CEPA Holdings") and its subsidiaries ("CEPA Group"). CEPA Group was acquired so as to diversify the business of the Group and enhance the return to the equity shareholders of the Company.

With the global economic slowdown going on, the Review Year was a year of significant volatility with large degree of uncertainties in the external environment including the weak economic situation in Europe. 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. On the other hand, recently sign of recovery in the U.S. market and domestic demand indicates that the manufacturing sector may produce positive promotion of economic growth in future. In the midst of uncertainties, the Group will seize the opportunity to enlarge its profit results and to capture any valuable investment opportunities with all its effort in appropriate opportunity so as to maximize its value added to shareholders. Consequently the Group is considering re-zoning the land site of its factory in Dalingshan, Dongguan, the PRC after the year under review and considering the opportunity to invest in property sector to diversify the Group's businesses. The Group will also consider acquiring and investing in other properties in Hong Kong and the PRC should appropriate opportunities arise. In this connection, the Group has entered into a preliminary sale and purchase agreement with an independent third party for the acquisition of a property in Hong Kong. Details of the transaction are contained in the announcement of the Company dated 18th June 2013.

FINANCIAL AND CAPITAL RESOURCES

Capital structure

As at 31st March, 2013, the Group had bank borrowings denominated in Hong Kong dollars, totaling approximately HK$103.2 million (2012: HK$90.0 million). Of these borrowings, approximately HK$44.7 million (2012: HK$43.2 million) were secured by fixed assets with an aggregate carrying value of approximately HK$75.3 million (2012: HK$76.9 million).

As at 31st March, 2013, the Group had total equity of HK$502.5 million (2012: HK$492.8 million).

FINANCIAL AND CAPITAL RESOURCES (CONTINUED)

Liquidity and leverage

As at 31st March, 2013, the Group had current assets of HK$380.0 million (2012: HK$339.5 million) comprising cash and cash equivalents of HK$87.1 million (2012: HK$88.7 million), and current liabilities of HK$234.1 million (2012: HK$210.4 million). The Group's current ratio (defined as current assets divided by current liabilities) was at a healthy ratio of 1.6 (2012: 1.6)

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, 2013 which was approximately 3.2% (2012: 0.2%).

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$26.2 million (2012: HK$116.9 million) on fixed asset investments, of which approximately HK$6.8 million (2012: HK$84.0 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 minimized by matching the foreign currency monetary assets versus the corresponding currency monetary liabilities, and foreign currency revenues versus the corresponding currency expenditures.

CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2013 not provided for in the financial statements were as follows:

	2013 HK$'000	*2012* HK$'000
Contracted for	4,435	26,359
	=========	=========

STAFF

As at 31st March, 2013, the Group had a total staff of 2,875 (2012: 2,692) of which 2,824 (2012: 2,634) 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, 2013 after the appointment of Mr. Suen Cho Hung Paul as chairman from 12 September 2012 whereas Mr. Lo Ming Chi, Charles has been appointed as the Chairman and Chief Executive Officer of the Company before 12 September 2012. 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 maximizes the effectiveness of its operation.

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, 2013.

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 auditor 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, 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31^{st} March, 2013, 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, 2013 (2012: HK$ Nil per share).

PUBLICATION OF FINAL RESULTS AND 2013 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 14^{th} August, 2013. 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
Executive Director and Chief Executive Officer

Hong Kong, 26^{th} June, 2013

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Lo Ming Chi, Charles (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.