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NEW ISLAND PRINTING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

DISCLOSEABLE TRANSACTION ACQUISITION OF MACHINES

The Board announces that on 22 January 2010, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Contract with the Vendor. Pursuant to the Contract, the Purchaser has agreed to purchase and the Vendor has agreed to sell a set of eight colour computerized offset printing press at a total cash consideration of EUR1,460,000 (equivalent to HKD16,000,000). A non-refundable deposit of 10% of the Consideration has been paid in cash on signing of the Contract with the remaining 90% to be satisfied in cash upon start of production which is expected to be around April 2010. The Consideration has been and will be funded by the internal resources and banking facilities of the Group.

As the applicable percentage ratios under Rule 14.06 of the Listing Rules for the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under the Listing Rules.

THE CONTRACT

Date:

22 January 2010

Parties to the Contract:

Purchaser: Shanghai New Island Packaging Printing Company Limited (“上海新洲包裝印刷有限公司”), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company.

Vendor Heidelberg China Limited, a company incorporated in Hong Kong with limited liability. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and the Connected Persons of the Company. So far as the Directors are aware having made all reasonable enquiry, the Vendor and its beneficial owner are one of the leading solution providers for the print media industry.

Assets to be acquired:

Pursuant to the Contract, the Purchaser has agreed to purchase and the Vendor has agreed to sell a set of eight colour computerized offset printing press at the Consideration. The machines to be acquired by the Purchaser are brand new and no revenue has been generated by these machines in the past. No valuation on the machines has been carried out.

Consideration:

The Consideration has been agreed to be a total cash amount of EUR1,460,000 (equivalent to HK\$16,000,000). A non-refundable deposit of 10% of the Consideration has been paid in cash on signing of the Contract with the remaining 90% to be satisfied in cash upon start of production. The Consideration has been and will be funded by the internal resources and banking facilities of the Group.

The Directors have compared the price of the set of eight colour computerized offset printing press quoted by the Vendor with those of other companies selling similar machines. The Consideration has been arrived at after arm’s length negotiation with the Vendor by reference to the prices offered by such other companies.

The Board considers that the Contract was entered into on normal commercial terms and on terms that are fair and reasonable and that the Acquisition is in the interests of the Company and its shareholders as a whole.

Delivery:

Delivery of the machines is expected to be around April 2010. Pursuant to the Contract, the machines will be delivered free to the buyer's factory in Shanghai with installation and operational instruction. One year free guarantee services starting from date of completion of the installation will be granted.

All tender related expenses, import duties, value added tax and other government charges in the PRC in relation to the Acquisition will be borne by the Purchaser. The Purchaser will also arrange all import licenses and documents for the machines and will have them readily available before the expected delivery time stipulated in the Contract.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the printing and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products.

To maintain and improve its competitiveness and strengthen its market position as one of the leading packaging printing solution providers, the Group is committed to investing in the latest technology from time to time to upgrade its production capabilities. As the Group holds a positive view on the growth prospects of the Yangtze River Delta, the Group has decided to enhance its Shanghai operations by acquiring and adding a set of eight colour computerized offset printing press in its factory in Shanghai. The Board is confident that the addition of the machines will enable the Group to improve its production capabilities to better serve its customers and expand its geographical coverage in the Yangtze River Delta region. The Acquisition is also consistent with the Group's strategic plan to reposition itself for the gradual recovery of the global economy. Accordingly, the Board considers that the Acquisition is in the interests of the Company and its shareholders as a whole.

GENERAL

As the applicable percentage ratios under Rule 14.06 of the Listing Rules for the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

The following expressions in this announcement have the meanings set out below:

“Acquisition” the acquisition of a set of eight colour computerized offset printing press by the Purchaser for a total cash consideration of EUR1,460,000 (equivalent to HKD16,000,000) pursuant to the Contract

“Board”	the board of Directors (including the non-executive Director and the independent non-executive Directors)
“Company”	New Island Printing Holdings Limited, a company incorporated in Bermuda with limited liability the issued shares of which are listed on the Stock Exchange with stock code 377
“Contract”	the formal contract for sale and purchase dated 22 January 2010 entered into between the Vendor and the Purchaser whereby the Vendor has agreed to sell and the Purchaser has agreed to purchase a set of eight colour computerized offset printing press
“Connected Persons”	the meaning ascribed to them under the Listing Rules
“Consideration”	EUR1,460,000 (equivalent to HKD16,000,000) in cash
“Directors”	the directors of the Company
“EUR”	Euros, the lawful currency of the European Union
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
New Island Printing Holdings Limited
Fung So Ka Wah Karen
Chief Executive Officer

Hong Kong, 22 January 2010

The conversion of EUR into HK\$ is based on the exchange rate of EUR1.00 = HK\$10.96. The conversion is for the purpose of illustration only and does not constitute a representation that any amount in EUR or HK\$ has been, could have been or may be converted at the above rate or any other rates at all.

As at the date of this announcement, the Board comprises Madam So Chau Yim Ping, BBS, JP, Mrs. Fung So Ka Wah, Karen, Mrs. Cheong So Ka Wai, Patsy and Mr. So Wah Sum, Conrad as executive Directors; Mr. Ting Woo Shou, Kenneth, SBS, JP as non-executive Director and Mr. Hui Yin Fat, O.B.E. JP, Mr. She Chiu Shun, Ernest and Mr. Wong Wang Fat, Andrew, O.B.E. (Hon.), JP as independent non-executive Directors.