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PLUS WEALTHY LIMITED
(incorporated in the British Virgin Islands with limited liability)



NEW ISLAND PRINTING HOLDINGS LIMITED
新洲印刷集團有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 377)

JOINT ANNOUNCEMENT

(1) ACQUISITION OF SHARES IN NEW ISLAND PRINTING HOLDINGS LIMITED BY PLUS WEALTHY LIMITED

(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY



KINGSTON SECURITIES LIMITED

**ON BEHALF OF PLUS WEALTHY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
NEW ISLAND PRINTING HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
PLUS WEALTHY LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

AND

(3) RESUMPTION OF TRADING

FINANCIAL ADVISER TO PLUS WEALTHY LIMITED



KINGSTON CORPORATE FINANCE LIMITED

* For identification purposes only

THE SHARE PURCHASE AGREEMENT

Pursuant to the Share Purchase Agreement entered into among the Offeror, Mr. Suen and the Vendors, the Offeror has conditionally agreed to acquire and the Vendors have conditionally agreed to sell an aggregate of 165,000,000 Shares, representing approximately 74.148% of the entire issued share capital of the Company as at the date of this joint announcement, at an aggregate consideration of HK\$354,750,000, or HK\$2.15 per Sale Share.

Upon the signing of the Share Purchase Agreement, a deposit in an aggregate sum of HK\$50,000,000 has been paid by the Offeror to the Vendors in proportion to the respective number of Sale Shares agreed to be sold by them. The balance of the consideration in an aggregate sum of HK\$304,750,000 shall be payable by the Offeror to the Vendors on Completion, as follows:

- (i) a total sum of HK\$243,800,000 is to be paid to Ka Chau, of which the sum of HK\$113,800,000 is to be paid in cash and the balance is to be settled by way of the Guaranteed Note for the principal amount of HK\$130,000,000; and
- (ii) the remaining sum of HK\$60,950,000 in aggregate is to be paid to the Vendors (other than Ka Chau) in cash.

The Guaranteed Note, an unsecured promissory note to be issued by the Offeror to Ka Chau at Completion, shall be guaranteed by Mr. Suen, repayable on the date falling 18 months after the Completion Date and shall bear interest at an interest rate of 2.1% per month. The Offeror shall, by giving Ka Chau a notice in writing of not less than 7 days, have the right to prepay the whole or any part of the amount due under the Guaranteed Note at any time before the expiry of the said 18-month period.

Completion is conditional upon certain conditions set out in the Share Purchase Agreement, brief particulars of which are set out under the section headed “The Share Purchase Agreement” below, being fulfilled or (where applicable) waived on or before the Long Stop Date. Under the Share Purchase Agreement, Completion is to take place on the later of (i) the third Business Day after some relevant conditions set out in the Share Purchase Agreement have been fulfilled or waived; and (ii) two Business Days following the Final Dividend Record Date, or such other date as the parties may agree in writing. Further announcement will be made as soon as practicable after Completion.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Immediately following Completion, the Offeror and parties acting in concert with it will own in aggregate 165,000,000 Shares, representing approximately 74.148% of the entire issued share capital of the Company (assuming that there is no other change in shareholding). The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by it and parties acting in concert with it. For the six months immediately before the date of the Share Purchase Agreement and up to the date of this joint announcement, save for the entering into of the Share Purchase Agreement, the Offeror and parties acting in concert with it have not dealt in nor do they have any shareholding interest, convertible securities, warrants or options in the Company.

Subject to the Completion, Kingston will, on behalf of the Offeror, make a mandatory unconditional cash offer to all the Shareholders to acquire all the Shares, other than those owned or agreed to be acquired by the Offeror and parties acting in concert with it, on terms to be set out in the offer documents or, as the case may be, the Composite Offer Document in accordance with the Takeovers Code on the following basis:

For each Share.HK\$2.15 in cash

The Offer Price is the same as the price agreed to be paid by the Offeror for each Sale Share under the Share Purchase Agreement.

The principal terms of the Offer are set out under the section headed “Possible mandatory unconditional cash offer” below.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Offeror, the Company and the proposed new Directors will undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares.

WARNING

The making of the Offer is a possibility only. Shareholders and potential investors should be aware and take note that the Share Purchase Agreement is conditional upon satisfaction or waiver of certain conditions, and that the Offer will only be made subject to and following Completion, which may or may not take place. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DESPATCH OF COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offer and the form of acceptance and transfer of the Shares to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may approve. Subject to Completion, if the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Offer Document. Such Composite Offer Document would set out, inter alia, details of the Offer, accompanied by the form of acceptance and transfer of the Shares in respect of the Offer, and incorporating the respective letters of advice from the Independent Board Committee and the independent financial adviser in relation to the Offer.

An Independent Board Committee will be established to advise the Independent Shareholders in relation to the Offer. An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Offer.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Friday, 20 August 2010, pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 27 August 2010.

THE SHARE PURCHASE AGREEMENT

Date: 20 August 2010

Vendors:

- (1) Ka Chau Enterprises (B.V.I.) Limited, a company incorporated in the British Virgin Islands, the issued share capital of which is owned as to 60% by Madam So Chau Yim Ping, BBS, JP, 20% by Mrs. Fung So Ka Wah, Karen and 20% by Mrs. Cheong So Ka Wai, Patsy, all being executive Directors.
- (2) Madam So Chau Yim Ping, BBS, JP
- (3) Mrs. Fung So Ka Wah, Karen
- (4) Mrs. Cheong So Ka Wai, Patsy
- (5) Mr. So Wah Sum, Conrad
- (6) Madam Shea Chau Hung Ping

Each of the Vendors in (2) to (5) above is an executive Director. Madam Shea Chau Hung Ping is the sister of Madam So Chau Yim Ping, BBS, JP and the aunt of each of Mrs. Fung So Ka Wah, Karen, Mrs. Cheong So Ka Wai, Patsy and Mr. So Wah Sum, Conrad.

Purchaser: Plus Wealthy Limited, a company incorporated in the British Virgin Islands and is wholly owned by Bingo Wealth which, in turn, is wholly and beneficially owned by Mr. Suen. Mr. Suen is also the sole director of the Offeror and Bingo Wealth.

Immediately before entering into the Share Purchase Agreement, each of the Offeror, Bingo Wealth and Mr. Suen are independent of and neither connected with nor acting in concert with the Company, the directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company and the Vendors or any of their respective subsidiaries, or any of their respective associates.

Guarantor for the
Purchaser:

Mr. Suen.

Subject of the sale and
purchase:

The Offeror has agreed to acquire and the Vendors have agreed to sell an aggregate of 165,000,000 Shares, as to 132,000,000 Shares (representing approximately 59.318% of the entire issued share capital of the Company as at the date of this joint announcement) being sold by Ka Chau, 19,800,000 Shares (representing approximately 8.898% of the entire issued share capital of the Company as at the date of this joint announcement) being sold by Madam So Chau Yim Ping, BBS, JP and 3,300,000 Shares (representing approximately 1.483% of the entire issued share capital of the Company as at the date of this joint announcement) being sold by each of Mrs. Fung So Ka Wah, Karen, Mrs. Cheong So Ka Wai, Patsy, Mr. So Wah Sum, Conrad and Madam Shea Chau Hung Ping. The Sale Shares represent in aggregate approximately 74.148% of the entire issued share capital of the Company as at the date of this joint announcement.

The Sale Shares will be sold free from all Encumbrances and with all rights attaching thereto on or after the date of the Share Purchase Agreement (including the right to receive all dividends and distributions declared, made or paid on or after the date of the Share Purchase Agreement), provided that the right to receive the 2010 Final Dividend, if approved by the Shareholders at general meeting of the Company, shall belong to the Vendors absolutely.

Consideration:

The aggregate consideration for the Sale Shares is HK\$354,750,000, or HK\$2.15 per Sale Share, which was determined after arm's length negotiations between the Offeror and the Vendors and has been paid or shall be payable by the Offeror in the following manner:

- (i) a deposit in an aggregate sum of HK\$50,000,000 has been paid in cash by the Offeror to the Vendors, as to HK\$40,000,000 to Ka Chau, HK\$6,000,000 to Madam So Chau Yim Ping, BBS, JP and HK\$1,000,000 to each of Mrs. Fung So Ka Wah, Karen, Mrs. Cheong So Ka Wai, Patsy, Mr. So Wah Sum, Conrad and Madam Shea Chau Hung Ping, which shall be applied toward payment of part of the consideration payable to each of them upon Completion;

- (ii) the balance of the consideration in the aggregate sum of HK\$304,750,000 shall be payable by the Offeror on Completion as follows:
 - (a) a total sum of HK\$243,800,000 is to be paid to Ka Chau, of which the sum of HK\$113,800,000 is to be paid in cash and the balance is to be settled by way of the Guaranteed Note in the principal amount of HK\$130,000,000; and
 - (b) the remaining HK\$60,950,000 is to be paid to the Vendors (other than Ka Chau) in cash, of which HK\$36,570,000 is to be paid to Madam So Chau Yim Ping, BBS, JP and HK\$6,095,000 is to be paid to each of Mrs. Fung So Ka Wah, Karen, Mrs. Cheong So Ka Wai, Patsy, Mr. So Wah Sum, Conrad and Madam Shea Chau Hung Ping, in full settlement of the balance of the consideration payable to each of them.

The said deposit together with any interest accrued thereon shall be fully refunded to the Offeror if the conditions precedent referred to in the paragraph headed “Conditions” below are not fulfilled or waived on or before the Long Stop Date or if (following fulfilment or (where applicable) waiver of all of the conditions precedent) Completion does not take place as a result of the default of any of the Vendors, provided that if Completion does not take place by reason of the condition precedent referred to in item (c) in the paragraph headed “Conditions” below not being fulfilled or waived before the Long Stop Date, the Vendors shall be entitled to retain absolutely an aggregate sum of HK\$10,000,000 out of such deposit and shall refund the balance of HK\$40,000,000 to the Offeror. If (following fulfilment or (where applicable) waiver of all of the conditions precedent) Completion does not take place as a result of the default of the Offeror, then the Vendors may terminate the Share Purchase Agreement whereupon the Vendors shall be entitled to forfeit a sum of HK\$10,000,000 out of such deposit as liquidated damages, without prejudice to any other remedies available to the Vendors, and the Vendors shall refund the balance of HK\$40,000,000 to the Offeror.

The Guaranteed Note is an unsecured promissory note to be issued by the Offeror to Ka Chau at Completion. The obligations of the Offeror under the Guaranteed Note shall be guaranteed by Mr. Suen. The Guaranteed Note shall be repayable on the date falling 18 months after the Completion Date and shall bear interest at an interest rate of 2.1% per month. The Offeror shall have the right to prepay the whole or any part of the amount due under the Guaranteed Note at any time before the expiry of the said 18-month period without paying any penalty, prepayment charges or other fees by giving Ka Chau a notice in writing of not less than 7 days.

Under the Share Purchase Agreement, the Offeror has undertaken to the Vendors that during the period commencing from the Completion Date and ending on the date on which all outstanding amount under the Guaranteed Note has been fully paid, it will not dispose of nor create or permit to arise or exist any Encumbrance over any of 145,200,000 Shares to be transferred to and registered in the name of the Offeror upon Completion, and any securities, cash and other assets derived directly or indirectly therefrom. The Share Purchase Agreement also provides for those 145,200,000 Shares to be held by an escrow agent during the said period.

Conditions:

Completion shall be subject to, among other things, the following conditions precedent being fulfilled (or, where applicable, waived by the Offeror):

- (a) the Executive confirming in writing that he has no further comment on this joint announcement in respect of the terms of the transactions contemplated by the Share Purchase Agreement, and the publication of this joint announcement on the website of the Stock Exchange;
- (b) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Share Purchase Agreement to and on the Completion Date, save for (i) suspension of less than five consecutive Business Days; or (ii) the suspension on account of clearance of any announcement in respect of any of the transactions contemplated under the Share Purchase Agreement, and no notification being received on or before the Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or discontinued as a result of Completion or in connection with the terms of or any transaction contemplated by the Share Purchase Agreement (including, but not limited to, in connection with a notification that the Company is no longer suitable for listing);
- (c) the Offeror being reasonably satisfied with the results of its due diligence review on the Group to be carried out within 15 Business Days after the date of the Share Purchase Agreement;
- (d) all requisite waivers, consents and approvals from all relevant lenders of the Group in connection with the transactions contemplated by the Share Purchase Agreement having been obtained;

- (e) all other requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated by the Share Purchase Agreement having been obtained; and
- (f) the warranties given by the Vendors under the Share Purchase Agreement remaining true and accurate in all respect and no event having occurred which constitutes or suggests that there has been a breach of any of such warranties or other provisions of the Share Purchase Agreement by any of the Vendors.

Completion:

Completion is to take place on the later of (i) the third Business Day after the fulfilment or waiver of the conditions precedent as referred to in items (a), (c), (d) and (e) in the paragraph headed “Conditions” above, and (ii) two Business Days following the Final Dividend Record Date, or such other date as the parties may agree in writing. If the conditions precedent are not fulfilled or (where applicable) waived on or before the Long Stop Date, the Share Purchase Agreement shall lapse and be of no further effect (except in relation to the refund of deposit) and no party to the Share Purchase Agreement shall have any claim against or liability to the other parties other than in respect of any antecedent breaches of the Share Purchase Agreement. Further announcement will be made as soon as practicable after Completion. The Offeror may at its absolute discretion waive in writing any of the conditions precedent (other than those referred to in items (d) and (e)) in the paragraph headed “Conditions” above.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Immediately following Completion, the Offeror and parties acting in concert with it will own in aggregate 165,000,000 Shares, representing approximately 74.148% of the entire issued share capital of the Company (assuming that there is no other change in shareholding). The Offeror will therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

For the six months immediately before the date of the Share Purchase Agreement and up to the date of this joint announcement, save for the entering into of the Share Purchase Agreement, the Offeror and parties acting in concert with it have not dealt in nor do they have any shareholding interest, convertible securities, warrants or options in the Company. None of the Offeror and parties acting in concert with it have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Principal terms of the Offer

Subject to the Completion, Kingston will, on behalf of the Offeror, make a mandatory unconditional cash offer to all the Shareholders to acquire all the Shares, other than those owned or agreed to be acquired by the Offeror and parties acting in concert with it, on terms to be set out in the offer documents or, as the case may be, the Composite Offer Document in accordance with the Takeovers Code on the following basis:

For each Share. HK\$2.15 in cash

The Offer Price is the same as the price agreed to be paid by the Offeror for each Sale Share under the Share Purchase Agreement.

There are no outstanding options, warrants or securities convertible into Shares as at the date of this joint announcement.

Comparison of value

The Offer Price of HK\$2.15 per Share is the same as the price as agreed to be paid by the Offeror to the Vendors for each Sale Share under the Share Purchase Agreement, and represents:

- (a) a premium of approximately 43.33% over the closing price of HK\$1.500 per Share on the Stock Exchange on 19 August 2010, being the last trading day prior to the suspension of trading in the Shares before the release of this joint announcement;
- (b) a premium of approximately 47.66% over the average closing price of HK\$1.456 per Share on the Stock Exchange over the last five consecutive trading days up to and including 19 August 2010;
- (c) a premium of approximately 49.93% over the average closing price of HK\$1.434 per Share on the Stock Exchange over the last 10 consecutive trading days up to and including 19 August 2010;
- (d) a premium of approximately 50.88% over the average closing price of approximately HK\$1.425 per Share on the Stock Exchange over the last 30 consecutive trading days up to and including 19 August 2010; and
- (e) a premium of approximately 39.76% to the audited consolidated total equity attributable to equity shareholders of the Company of approximately HK\$1.538 per Share as at 31 March 2010.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$1.70 per Share on 9 July 2010 and HK\$0.74 per Share on 7 and 10 May 2010 and 8 June 2010, respectively.

Total value of the Offer

As at the date of this joint announcement, there are 222,529,000 Shares in issue and there are no outstanding options, warrants or securities convertible or exchangeable into Shares.

On the basis of the Offer Price at HK\$2.15 per Share, the entire issued share capital of the Company is valued at approximately HK\$478,437,350. The 57,529,000 Shares subject to the Offer are valued at HK\$123,687,350 based on the Offer Price.

Financial resources available for the Offer

Kingston Corporate Finance Limited has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror for meeting its obligation in case of a full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Shares to the Offeror free from all Encumbrances and with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of posting of the offer document by or on behalf of the Offeror in respect of the Offer or, as the case may be, the Composite Offer Document.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within 10 days of the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by or for the Offeror.

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptances or if higher, the market value of the Shares, and will be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares.

Overseas Shareholders

The availability of the Offer to the Shareholders whose addresses as shown in the register of members of the Company in Hong Kong to be outside Hong Kong may be subject to, or limited by, the laws or regulations of their respective jurisdictions.

Other arrangements

As at the date of this joint announcement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer. Save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror or Mr. Suen is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

As at the date of this joint announcement, none of the Offeror, Mr. Suen or parties acting in concert with any of them has received any irrevocable commitment to accept the Offer.

INFORMATION ON THE GROUP

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.

The following table sets out the shareholding structure of the Company (based on information received by the Company and notified pursuant to Part XV of the Securities and Futures Ordinance as at the date of this joint announcement) (i) as at the date of this joint announcement; and (ii) immediately upon Completion (and assuming there are no changes in shareholdings before Completion other than those contemplated under the Share Purchase Agreement):

	As at the date of this joint announcement		Immediately upon Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Ka Chau	132,000,000	59.318	–	–
Madam So Chau Yim Ping, BBS, JP	19,800,000	8.898	–	–
Mrs. Fung So Ka Wah, Karen	3,300,000	1.483	–	–
Mrs. Cheong So Ka Wai, Patsy	3,300,000	1.483	–	–
Mr. So Wah Sum, Conrad	3,300,000	1.483	–	–
Madam Shea Chau Hung Ping	3,300,000	1.483	–	–
Mr. Ting Woo Shou, Kenneth, SBS, JP	205,000	0.092	205,000	0.092
Offeror and parties acting in concert with it	–	–	165,000,000	74.148
Other public Shareholders	57,324,000	25.760	57,324,000	25.760
Total	222,529,000	100.000	222,529,000	100.000

Based on the Group's audited consolidated statement of comprehensive income for the year ended 31 March 2010, it recorded audited total comprehensive income attributable to equity Shareholders of approximately HK\$27,506,000 and HK\$29,577,000 for the years ended 31 March 2009 and 31 March 2010, respectively. The Group's audited consolidated total equity attributable to equity Shareholders was approximately HK\$319,435,000 and HK\$342,336,000 respectively as at 31 March 2009 and 31 March 2010.

INFORMATION ON THE OFFEROR, ITS INTENTION REGARDING THE COMPANY AND PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

The Offeror is an investment holding company incorporated in the British Virgin Islands on 8 July 2010 with limited liability. The Offeror is wholly and beneficially owned by Bingo Wealth, which is in turn wholly and beneficially owned by Mr. Suen. Mr. Suen is the sole director of each of the Offeror and Bingo Wealth. Before the date of the Share Purchase Agreement, neither the Offeror nor Bingo Wealth has conducted any business since its incorporation, and they do not have any material assets as at the date of this joint announcement. Up to the date of this joint announcement, neither the Offeror, Bingo Wealth, Mr. Suen nor the parties acting in concert with any of them owns or has control or direction over, any voting rights or rights over Shares or any options, warrants or securities convertible into Shares. None of the Offeror, Bingo Wealth, Mr. Suen nor the parties acting in concert with any of them has entered into and has any outstanding derivative in respect of any securities in the Company as at the date of this joint announcement.

Mr. Suen, aged 49, holds a Master of Business Administration degree from the University of South Australia. Mr. Suen has extensive experience in managing metal, minerals and raw materials, energy and property business ventures as well as in strategic planning and corporate management of business enterprises in Hong Kong and the PRC. Mr. Suen is also the chairman and executive director of Beijing Yu Sheng Tang Pharmaceutical Group Limited (stock code: 1141) and BEP International Holdings Limited (stock code: 2326), two listed companies in Hong Kong. He was also an executive director and the chairman of China Yunnan Tin Minerals Group Company Limited (stock code: 263), a listed company in Hong Kong, until 15 September 2009.

Assuming the Share Purchase Agreement has been completed and following the close of the Offer, it is the intention of the Offeror that the Group will continue its existing principal activities and the Offeror does not intend to introduce any major changes to the existing operations and business of the Company immediately after the Completion and the Offer. The Offeror will regularly review the operations and business activities of the Group to formulate a suitable business strategy for the Group and will explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth. The Offeror has no intention to discontinue the employment of the employees (save for a change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror has no plan on any injection of any assets or businesses into the Company as at the date of this joint announcement.

Subject to Completion, all existing executive Directors, namely 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, will resign as Directors with effect on the earliest date on which such resignation may take effect under the Takeovers Code (being the first closing date of the Offer), but will, after such resignation, remain employed by the Group as consultants.

The continued employment of the existing executive Directors is intended to ensure that there will be no material disruption to the existing business after the change in control of the Group. To ensure the continuing services by the existing executive Directors for the Group, each of them will enter into a service contract with the Company in relation to his/her appointment as a consultant of the Company for a term of two years and on terms (including remuneration) which are substantially the same as his/her current employment terms with the Company as executive Directors. Although they will remain as employees of the Group and their respective terms of employment will be substantially unchanged, as they will no longer be Directors after their resignations becoming effective, it is appropriate for the Group to enter into new service contracts with them in relation to their employment as consultants of the Company.

The Offeror intends to nominate two executive Directors to the Board and such appointment will not take effect earlier than the date of the posting of the offer document by the Offeror in respect of the Offer or, as the case may be, the Composite Offer Document subject to compliance with the Takeovers Code. No service contract or appointment letter has been entered into between the Company and any of these proposed Directors as at the date of this joint announcement and therefore their respective terms of employment or appointment and emoluments, if any, have not been fixed as at the date of this joint announcement. Further announcement will be made upon any appointment of new Directors.

Details of the proposed Directors are set out below:

Mr. Lo Ming Chi, Charles, JP (“Mr. Lo”), aged 60, is a certified practicing accountant of the CPA Australia and is a fellow of the Financial Services Institute of Australasia. Mr. Lo has extensive experience in financial and investment services in Australia, Hong Kong and other Asian countries. Mr. Lo is the chief executive officer of Sewco International Holdings Limited (stock code: 209), an independent non-executive director of CASH Financial Services Group Limited (stock code: 510), New Environmental Energy Holdings Limited (stock code: 3989) and Tak Sing Alliance Holdings Limited (stock code: 126), all being listed companies in Hong Kong. Mr. Lo resigned as an executive director, the deputy chairman and the chief executive officer of Beijing Yu Sheng Tang Pharmaceutical Group Limited (stock code: 1141) in November 2009 and resigned as an executive director of Sun Innovation Holdings Limited (stock code: 547) in March 2010, both are listed companies in Hong Kong.

Ms. Chan Yuk Yee (“Ms. Chan”), aged 42, holds a Master of Business Law degree from Monash University in Australia and is an associate member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Chan has over 10 years of experience in corporate administration and company secretarial practice. Ms. Chan is also an executive director and the company secretary of Sewco International Holdings Limited (stock code: 209) and Beijing Yu Sheng Tang Pharmaceutical Group Limited (stock code: 1141), both are listed companies in Hong Kong.

As at the date of this joint announcement, none of Mr. Lo and Ms. Chan has any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
 - that there are insufficient Shares in public hands to maintain an orderly market,
- it will consider exercising its discretion to suspend dealings in the Shares.**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Offeror, the Company and the proposed new Directors will undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company (including but not limited to persons who own or control 5% or more of any class of relevant securities of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DESPATCH OF COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offer and the form of acceptance and transfer of the Shares to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may approve. Subject to Completion, if the Offer materialises, it is

the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Offer Document. Such Composite Offer Document would set out, inter alia, details of the Offer, accompanied by the form of acceptance and transfer of the Shares in respect of the Offer, and incorporating the respective letters of advice from the Independent Board Committee and the independent financial adviser in relation to the Offer.

An Independent Board Committee will be established to advise the Independent Shareholders in relation to the Offer. An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Offer.

WARNING

The making of the Offer is a possibility only. Shareholders and potential investors should be aware and take note that the Share Purchase Agreement is conditional upon satisfaction or waiver of certain conditions set out under the section headed “The Share Purchase Agreement” above, and that the Offer will only be made subject to and following Completion, which may or may not take place. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Friday, 20 August 2010 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 27 August 2010.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2010 Final Dividend”	the final dividend of 3.5 cents per Share for the year ended 31 March 2010 as recommended by the Board and disclosed in the Company’s announcement dated 23 July 2010, subject to approval by the Shareholders at general meeting
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Bingo Wealth”	Bingo Wealth Holdings Limited, a company incorporated in British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Suen

“Board”	board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Company”	New Island Printing Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the date on which Completion shall take place in accordance with the Share Purchase Agreement
“Composite Offer Document”	the document proposed to be jointly issued by and on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, among others, the terms and conditions of the Offer, the form of acceptance and transfer in respect of the Offer, the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offer, and the letter of advice of the Independent Board Committee to the Independent Shareholders in relation to the Offer
“Director(s)”	director(s) of the Company
“Encumbrance”	any mortgage, charge, pledge, lien, hypothecation or other encumbrance, priority or security interest, deferred purchase or title retention arrangement over or in any property, assets or rights of whatsoever nature and includes any agreement for any of them
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time or any delegate of such executive director
“Final Dividend Record Date”	3 September 2010, or such other date as may be decided by the Company as the record date for determining the entitlement of the Shareholders to the 2010 Final Dividend

“Group”	the Company and its subsidiaries
“Guaranteed Note”	the guaranteed promissory note for the principal amount of HK\$130,000,000 to be issued by the Offeror to Ka Chau for partial payment of the consideration payable to Ka Chau upon Completion, details of which are set out in the paragraph headed “Consideration” in the section headed “The Share Purchase Agreement” in this joint announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board to be established for the purpose of advising the Independent Shareholders in relation to the Offer
“Independent Shareholders”	Shareholders other than the Offeror, Mr. Suen and their respective associates and concert parties
“Ka Chau”	Ka Chau Enterprises (B.V.I.) Limited, a company incorporated in the British Virgin Islands and one of the Vendors
“Kingston”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m. on 27 September 2010 or such later date as the Vendors and the Offeror may agree in writing
“Mr. Suen”	Mr. Suen Cho Hung, Paul, the sole ultimate beneficial owner and sole director of the Offeror
“Offer”	a possible mandatory unconditional cash offer for all the issued Shares not already owned by or agreed to be acquired by the Offeror and parties acting in concert with it at the Offer Price to be made by Kingston on behalf of the Offeror in accordance with the Takeovers Code
“Offeror”	Plus Wealthy Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Bingo Wealth

“Offer Price”	HK\$2.15 payable in cash by the Offeror to the Shareholders per Share under the Offer
“PRC”	the People’s Republic of China
“Share Purchase Agreement”	the conditional sale and purchase agreement dated 20 August 2010 entered into between the Vendors, the Offeror and Mr. Suen in relation to the sale by the Vendors and the purchase by the Offeror of the Sale Shares
“Sale Shares”	an aggregate of 165,000,000 Shares agreed to be acquired by the Offeror pursuant to the Share Purchase Agreement
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendors”	Ka Chau, Madam So Chau Yim Ping, BBS, JP, Mrs. Fung So Ka Wah, Karen, Mrs. Cheong So Ka Wai, Patsy, Mr. So Wah Sum, Conrad and Madam Shea Chau Hung Ping, the vendors of the Sale Shares under the Share Purchase Agreement
“HK\$” and “cents”	Hong Kong dollars and Hong Kong cents, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of
Plus Wealthy Limited
Mr. Suen Cho Hung, Paul
Director

By order of the Board of
New Island Printing Holdings Limited
Mrs. Fung So Ka Wah, Karen
Executive Director

Hong Kong, 26 August 2010

As at the date of this joint 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.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Suen Cho Hung, Paul.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those relating to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those relating to the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to the Offeror), the omission of which would make any statement in this joint announcement misleading.