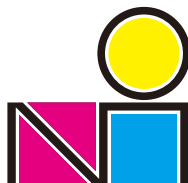


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NEW ISLAND PRINTING HOLDINGS LIMITED

新洲印刷集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 377)

MEMORANDUM OF UNDERSTANDING RELATING TO THE POSSIBLE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SINO-AFRICA RESOURCES INVESTMENT LIMITED

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

After trading hours on 26 January 2011, the Possible Purchaser (an indirect wholly-owned subsidiary of the Company) and the Possible Vendors entered into the Memorandum of Understanding in relation to the possible acquisition of the entire issued share capital of the Target Company. The Target Company holds a 48% equity interest in the JV Company which in turn holds the entire equity interest in the Mining Company. According to preliminary discussion, the Company understands that the Mining Company is a holder of an exploration right and an exploitation right of certain mineral sands along the eastern coastal area of Madagascar.

The Memorandum of Understanding contains certain legally binding obligations regarding exclusivity and confidentiality. However, it is not legally binding in respect of the Possible Acquisition and its terms. The terms of the formal agreement for the Possible Acquisition have yet to be determined.

The Possible Acquisition, if materializes, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement in relation to the Possible Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules. **No binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As the Possible Acquisition may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

* *For identification purposes only*

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

THE MEMORANDUM OF UNDERSTANDING

Date: 26 January 2011

Parties:

Possible Vendors: (1) Mr. Lian Weifei;
(2) Mr. Chen Weikang; and
(3) Mr. Chen Guoquan.

Possible Purchaser: Marco Castle Limited, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Possible Vendors is an Independent Third Party.

Assets to be acquired

Pursuant to the Memorandum of Understanding, it is proposed that the Possible Purchaser will acquire (i) the entire issued share capital of the Target Company; and (ii) the full amount of any shareholders' loan owed by the Target Company to the Possible Vendors (if any).

Consideration

The consideration of the Possible Acquisition will be determined after further negotiation between the Possible Vendors and the Possible Purchaser, which may involve cash, shares and/or securities convertible into shares of the Company.

Due diligence review

Upon signing of the Memorandum of Understanding, the Possible Purchaser shall have the right to commence a due diligence review and investigation of the assets, liabilities, financial condition, contracts, commitments and business of the Target Company, the JV Company and the Mining Company and any agreements between the Possible Vendors and the other joint venture partner of the JV Company (the "Due Diligence Review").

Conditions precedent

Completion of the Possible Acquisition is conditional in all respects upon, among others:

- (1) completion of the Due Diligence Review to the satisfaction of the Possible Purchaser at its sole discretion;
- (2) the formal agreement and the Possible Acquisition being approved by majority Shareholders pursuant to the Listing Rules in a general meeting or if permitted under the Listing Rules, written Shareholder's approval in lieu of holding a general meeting, if required;

- (3) the obtaining of all consents or approvals of any relevant governmental authorities or other relevant regulatory bodies in Hong Kong, the PRC or Madagascar, or third parties which are required by either or both of the Possible Purchaser or Possible Vendors for the entry into and implementation of the formal agreement to be entered into under the Memorandum of Understanding;
- (4) the obtaining of all consents from the other shareholder(s) who have a direct or indirect interest in the JV Company to the Possible Acquisition, if required; and
- (5) the obtaining of legal opinion(s) in form and substance satisfactory to the Possible Purchaser from the British Virgin Islands, Madagascar and/or PRC legal advisors in respect of matters relating to the mining business of the JV Company and the Mining Company.

Exclusivity

An exclusivity period from the date of signing of the Memorandum of Understanding to 26 April 2011 (or such later date as agreed by the Possible Vendors and the Possible Purchaser) (the “Long Stop Date”) was granted to the Possible Purchaser, during which each of the Possible Vendors has agreed and undertaken that none of them shall directly or indirectly discuss or negotiate with any other party in respect of the Possible Acquisition.

Termination

The Memorandum of Understanding will be automatically terminated upon the occurrence of the earliest of any of the following events, (i) the expiry of the Long Stop Date; (ii) the Possible Purchaser informing the Possible Vendors in writing of its decision to terminate the Memorandum of Understanding; or (iii) a formal agreement for the Possible Acquisition has been entered into.

BACKGROUND INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands and as advised by the Possible Vendors, which is beneficially owned as to 50.00% by Mr. Lian Weifei, 11.77% by Mr. Chen Weikang and 38.23% by Mr. Chen Guoquan. Based on the information as provided by the Possible Vendors, the Target Company holds a 48% equity interest in the JV Company which in turn holds the entire equity interest in the Mining Company. To the best knowledge of the Directors, the other joint venture partner of the JV Company holds as to 52% in the JV Company is an Independent Third Party.

As advised by the Possible Vendors, the Mining Company owns an exploration and exploitation right of mineral sands along the eastern coastal area of Madagascar.

GENERAL

The Memorandum of Understanding contains certain legally binding obligations regarding exclusivity and confidentiality. However, it is not legally binding in respect of the Possible Acquisition and its terms. The terms of the formal agreement for the Possible Acquisition have yet to be determined.

The Possible Acquisition, if materializes, may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement in relation to the Possible Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules. **No binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As the Possible Acquisition may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

| | |
|--------------------------------|--|
| “Company” | New Island Printing Holdings Limited (stock code: 377), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | independent third party(ies) who is/are independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company |
| “JV Company” | Hong Kong Guangxin Sino-Africa Resources Investment Limited, a joint venture which the Target Company holds as to 48% of its equity interest |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Memorandum of Understanding” | the memorandum of understanding dated 26 January 2011 entered into between the Possible Purchaser and Possible Vendors |

| | |
|------------------------|---|
| “Mining Company” | Mainland Mining Ltd (馬達加斯加大陸礦業有限公司), a company incorporated in Madagascar |
| “Possible Acquisition” | the possible acquisition by the Possible Purchaser of the entire issued share capital of the Target Company and the full amount of any shareholders’ loan owed by the Target Company to the Possible Vendors (if any) |
| “Possible Purchaser” | Marco Castle Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Possible Vendors” | Mr. Lian Weifei, Mr. Chen Weikang and Mr. Chen Guoquan |
| “PRC” | the People’s Republic of China |
| “Shareholders” | the shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Sino-Africa Resources Investment Limited (中非能源投資有限公司), a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 50.00% by Mr. Lian Weifei, 11.77% by Mr. Chen Weikang and 38.23% by Mr. Chen Guoquan |
| “%” | per cent. |

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

Hong Kong, 26 January 2011

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