



# **CHINA PRINT POWER GROUP LIMITED**

中國威力印刷集團有限公司

(Incorporated in Bermuda with limited liability)  
Company Registration Number: 39018

Financial Statements and Dividend Announcement  
For the six months ended 30 June 2011



**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Six months ended 30/06/2011 (Unaudited) HKD'000	Six months ended 30/06/2010 (Unaudited) HKD'000	Increase / (Decrease) %
Revenue	97,702	85,024	14.9
Cost of sales	(72,687)	(60,446)	20.3
Gross profit	25,015	24,578	1.8
Other income	748	280	167.1
Selling and distribution costs	(4,925)	(4,047)	21.7
Administrative expenses	(12,917)	(12,476)	3.5
Other operating expenses	(923)	(503)	83.5
Finance costs	(747)	(1,155)	(35.3)
<b>Profit before income tax</b>	6,251	6,677	(6.4)
Income tax expense	(1,055)	(1,012)	4.2
<b>Profit for the period and attributable to owners of the Company</b>	5,196	5,665	(8.3)
<b>Other comprehensive income</b>			
Exchange gain on translation of financial statements of foreign operations	1,724	207	732.9
Other comprehensive income for the period, net of tax	1,724	207	732.9
<b>Total comprehensive income for the period and attributable to owners of the Company</b>	6,920	5,872	17.8



- (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

The Group's profit before income tax is arrived at after charging/(crediting):

	Group	
	Six months ended 30/06/2011 (Unaudited) HKD'000	Six months ended 30/06/2010 (Unaudited) HKD'000
Interest charges on borrowings	747	1,155
Depreciation of property, plant and equipment	5,849	6,605
Amortisation of leasehold land and land use rights	56	61
Net foreign exchange loss	161	28
Net loss on disposal of property, plant and equipment	127	-
Other income		
Interest income	(6)	(6)
Reversal of impairment loss on trade receivables	(226)	-
Sundry income	(516)	(274)
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1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30/06/2011 (Unaudited) HKD'000	As at 31/12/2010 (Audited) HKD'000	As at 30/06/2011 (Unaudited) HKD'000	As at 31/12/2010 (Audited) HKD'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Leasehold land and land use rights	5,561	5,474	-	-
Property, plant and equipment	124,260	118,294	-	-
Other non-current assets	645	690	-	-
Interest in subsidiaries	-	-	46,078	46,078
	<u>130,466</u>	<u>124,458</u>	<u>46,078</u>	<u>46,078</u>
<b>Current assets</b>				
Inventories	37,491	21,319	-	-
Trade and other receivables	77,240	71,414	26,174	26,630
Dividend receivables	-	-	7,044	11,444
Deferred expenses	4,479	-	-	-
Cash and cash equivalents	21,949	28,831	81	46
	<u>141,159</u>	<u>121,564</u>	<u>33,299</u>	<u>38,120</u>
<b>Current liabilities</b>				
Trade and other payables	38,885	26,130	-	-
Bank borrowings, secured	49,557	34,682	-	-
Obligations under finance leases	4,870	10,834	-	-
Income tax payable	1,525	108	-	-
	<u>94,837</u>	<u>71,754</u>	<u>-</u>	<u>-</u>
<b>Net current assets</b>	<u>46,322</u>	<u>49,810</u>	<u>33,299</u>	<u>38,120</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	3,624	3,624	-	-
	<u>3,624</u>	<u>3,624</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>173,164</u>	<u>170,644</u>	<u>79,377</u>	<u>84,198</u>
<b>EQUITY ATTRIBUTABLE TO COMPANY'S OWNERS</b>				
Share capital	67,215	67,215	67,215	67,215
Reserves	105,949	103,429	12,162	16,983
<b>Total equity</b>	<u>173,164</u>	<u>170,644</u>	<u>79,377</u>	<u>84,198</u>



**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand\***

As at 30/06/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
HKD'000	HKD'000	HKD'000	HKD'000
36,572	-	28,852	-

**Amount repayable after one year\***

As at 30/06/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
HKD'000	HKD'000	HKD'000	HKD'000
17,855	-	16,664	-

\* Based on scheduled repayment dates set out in the borrowing agreements and ignored the effect of any repayment on demand clause

**Details of any collaterals**

As at 30 June 2011, the Group's borrowings are secured by (i) corporate guarantee issued by the Company, (ii) letters of undertaking from its subsidiaries, Power Printing Products Limited, Carta & Cuoio Company Limited and Power Printing (He Yuan) Co., Ltd and (iii) certain plant and machinery and trade receivables of the Group.



1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Six months ended 30/06/2011 (Unaudited) HKD'000	Six months ended 30/06/2010 (Unaudited) HKD'000
<b>Cash flows from operating activities</b>		
Profit before income tax	6,251	6,677
Adjustments for:		
Depreciation of property, plant and equipment	5,849	6,605
Amortisation of leasehold land and land use rights	56	61
Amortisation of other non-current asset	45	45
Interest income	(6)	(6)
Interest expense	747	1,155
Net loss on disposal of property, plant and equipment	127	-
Reversal of impairment loss on trade receivables	(226)	-
Operating profit before working capital changes	<u>12,843</u>	<u>14,537</u>
Increase in inventories	(16,155)	(4,230)
(Increase)/decrease in trade and other receivables	(5,573)	7,698
Increase in trade and other payables	12,605	6,066
Increase in deferred expense	(4,479)	-
Currency translation adjustment	-	190
Cash (used in)/generated from operations	<u>(759)</u>	<u>24,261</u>
Income taxes refund/(paid)	362	(418)
Interest paid	<u>(747)</u>	<u>(1,155)</u>
<b>Net cash (used in)/from operating activities</b>	<b><u>(1,144)</u></b>	<b><u>22,688</u></b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(10,391)	(1,129)
Interest received	6	6
Proceeds from sale of property, plant and equipment	100	-
<b>Net cash used in investing activities</b>	<b><u>(10,285)</u></b>	<b><u>(1,123)</u></b>
<b>Cash flows from financing activities</b>		
Dividend paid	(4,400)	(2,884)
Increase/(decrease) in trust receipt loans and collateralised borrowings	6,676	(16,567)
Proceeds from new bank borrowings	19,450	7,800
Decrease in pledged deposits	-	1,055
Repayment of bank borrowings	(11,251)	(6,167)
Repayment of obligations under finance leases	(5,964)	(3,319)
<b>Net cash from/(used in) financing activities</b>	<b><u>4,511</u></b>	<b><u>(20,082)</u></b>
Net (decrease)/increase in cash and cash equivalents	(6,918)	1,483
Cash and cash equivalents at 1 January	28,831	25,966
Effect of foreign exchange rate changes	36	-
<b>Cash and cash equivalents at 30 June</b>	<b><u>21,949</u></b>	<b><u>27,449</u></b>



## Six Months Ended 30 June 2011 Financial Statements and Dividend Announcement

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Group

	Reserves							
	Share capital HKD'000	Share premium HKD'000	Merger reserve HKD'000	Translation reserve HKD'000	Proposed final dividend HKD'000	Retained profits HKD'000	Total reserves HKD'000	Total equity HKD'000
<b>Balance at 1 January 2010</b>	67,215	12,177	(43,048)	13,227	2,884	98,228	83,468	150,683
2009 final dividend approved	-	-	-	-	(2,884)	-	(2,884)	(2,884)
<b>Transaction with owners</b>	-	-	-	-	(2,884)	-	(2,884)	(2,884)
Profit for the period	-	-	-	-	-	5,665	5,665	5,665
Other comprehensive income								
- Exchange gain on translation of financial statements of foreign operation	-	-	-	207	-	-	207	207
<b>Total comprehensive income for the period</b>	-	-	-	207	-	5,665	5,872	5,872
<b>Balance at 30 June 2010</b>	<b>67,215</b>	<b>12,177</b>	<b>(43,048)</b>	<b>13,434</b>	-	<b>103,893</b>	<b>86,456</b>	<b>153,671</b>
<b>Balance at 1 January 2011</b>	67,215	12,177	(43,048)	14,060	4,400	115,840	103,429	170,644
2010 final dividend approved	-	-	-	-	(4,400)	-	(4,400)	(4,400)
<b>Transactions with owners</b>	-	-	-	-	(4,400)	-	(4,400)	(4,400)
Profit for the period	-	-	-	-	-	5,196	5,196	5,196
Other comprehensive income								
- Exchange gain on translation of financial statements of foreign operations	-	-	-	1,724	-	-	1,724	1,724
<b>Total comprehensive income for the period</b>	-	-	-	1,724	-	5,196	6,920	6,920
<b>Balance at 30 June 2011</b>	<b>67,215</b>	<b>12,177</b>	<b>(43,048)</b>	<b>15,784</b>	-	<b>121,036</b>	<b>105,949</b>	<b>173,164</b>



Company

	Reserves					
	Share capital HKD'000	Share premium HKD'000	Proposed final dividend HKD'000	Retained profits/ (Accumulated losses) HKD'000	Total reserves HKD'000	Total equity HKD'000
<b>Balance at 1 January 2010</b>	67,215	12,177	2,884	247	15,308	82,523
Transaction with owners - 2009 final dividend approved	-	-	(2,884)	-	(2,884)	(2,884)
Loss and total comprehensive loss for the period	-	-	-	(286)	(286)	(286)
<b>Balance at 30 June 2010</b>	<b>67,215</b>	<b>12,177</b>	<b>-</b>	<b>(39)</b>	<b>12,138</b>	<b>79,353</b>
<b>Balance at 1 January 2011</b>	67,215	12,177	4,400	406	16,983	84,198
Transaction with owners - 2010 final dividend approved	-	-	(4,400)	-	(4,400)	(4,400)
Loss and total comprehensive loss for the period	-	-	-	(421)	(421)	(421)
<b>Balance at 30 June 2011</b>	<b>67,215</b>	<b>12,177</b>	<b>-</b>	<b>(15)</b>	<b>12,162</b>	<b>79,377</b>

- 1(d)(ii) **Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There is no change in the Company's share capital during the period.

Subsequent to 30 June 2011, the Company's shares were dual listed on The Stock Exchange of Hong Kong Limited ("SEHK") on 12 July 2011 and 30,000,000 new shares were issued since then.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Group	
	30/06/2011	31/12/2010
Total number of issued shares excluding treasury shares	122,209,373	122,209,373

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of current financial period reported on.**

There were no sale, transfer, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the auditors.



3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2010. In addition, the Group has also adopted and applied all the new or amended International Financial Reporting Standards (the "IFRSs") issued by the International Accounting Standards Boards ("IASB") and the International Financial Reporting Interpretations Committee of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2011.

The adoption of the new IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted and applied all the new or amended IFRSs effective for the Group's financial statements beginning on 1 January 2011 and the adoption of such IFRSs has no changes in the accounting policies and methods of computation.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share based on profit attributable to shareholders:	Group	
	Six months ended 30/06/2011	Six months ended 30/06/2010
(i) Based on existing issued share capital	HK 4.25 cents	HK 4.64 cents
(ii) On a fully diluted basis	Not applicable	Not applicable

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of HK\$5,196,000 (Six months ended 30 June 2010: HK\$5,665,000) and on the weighted average number of 122,209,373 (Six months ended 30 June 2010: 122,209,373) ordinary shares in issue during the period.

Diluted earnings per share for the six months ended 30 June 2011 and 2010 are not presented as there is no dilutive potential share.



7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

Net asset value per ordinary share based on issued share capital	As at 30/06/2011 (Unaudited)	As at 31/12/2010 (Audited)
For the Group	HK 141.7 cents	HK 139.6 cents
For the Company	HK 65.0 cents	HK 68.9 cents

Net asset value attributable to the owners of the Group/Company per ordinary share was calculated based on:

1. the equity of the Group/Company attributable to the owners of the Company as at 30 June 2011 and 31 December 2010; and
2. the number of issued ordinary shares at 30 June 2011 and 31 December 2010 of 122,209,373.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **STATEMENT OF COMPREHENSIVE INCOME**

##### Revenue

Revenue increased by approximately 14.9% from approximately HK\$85.0 million for the six months ended 30 June 2010 ("HY2010") to approximately HK\$97.7 million for the six months ended 30 June 2011 ("HY2011"). The increase in revenue was due to increase in sales orders and average selling prices.

##### Gross Profit Margin

Overall gross profit margin decreased from approximately 28.9% in HY2010 to approximately 25.6% in HY2011 which was mainly due to an increase in labour cost as a result of increase in number of workers and average wages.

##### Other Income

Other income increased by approximately 167.1% from approximately HK\$0.3 million in HY2010 to approximately HK\$0.7 million in HY2011. The increase was mainly due to proceeds of approximately HK\$0.2 million on sales of scraps and the net effect of reversal of impairment loss on trade receivables of approximately HK\$0.2 million.

##### Operating Expenses

- (a) Selling and distribution costs

The selling and distribution costs increased by approximately 21.7% from approximately HK\$4.0 million in HY2010 to approximately HK\$4.9 million in HY2011. This was mainly due to the increase of approximately HK\$0.8 million in transportation and freight charges as a result of increase in sales orders.



(b) Administrative expenses

The administrative expenses slightly increased by approximately 3.5% from approximately HK\$12.5 million in HY2010 to approximately HK\$12.9 million in HY2011. This was mainly due to an increase in (i) computer expenses of approximately HK\$0.1 million, (ii) courier charges of approximately HK\$0.1 million and (iii) sundry expenses of approximately HK\$0.1 million.

(c) Other operating expenses

Other operating expenses increased by approximately 83.5% from approximately HK\$0.5 million in HY2010 to approximately HK\$0.9 million in HY2011 was mainly due to an increase in (i) bank charges of approximately HK\$0.2 million, and (ii) net loss on disposals of plant and equipment of approximately HK\$0.1 million.

(d) Finance costs

Finance costs decreased by approximately HK\$0.4 million or approximately 35.3% from approximately HK\$1.2 million in HY2010 to approximately HK\$0.7 million in HY2011, which was mainly due to the repayment of obligations under finance leases despite the increase in bank borrowings.

(e) Income tax expense

Income tax expense increased by approximately 4.2% from approximately HK\$1.0 million in HY2010 to approximately HK\$1.1 million in HY2011. The increase was mainly due to less tax allowances given to a subsidiary in Hong Kong for its acquisition of plant and equipment in previous years despite there are approximately HK\$10.2 million of acquisition on plant and equipment in the PRC operation.

As a result of the above, profit for the period attributable to owners of the Company decreased by approximately 8.3% from approximately HK\$5.7 million for HY2010 to approximately HK\$5.2 million for HY2011. However, the Group achieved a higher currency translation gain of approximately HK\$1.7 million in HY2011 compared to approximately HK\$0.2 million in HY2010 resulting in the total comprehensive income attributable to owners increased by approximately 17.8% to approximately HK\$6.9 million.

## **STATEMENT OF FINANCIAL POSITION**

### **Assets**

As at 30 June 2011, non-current assets amounted to approximately HK\$130.5 million or represented approximately 48.0% of our total assets, an increase of approximately HK\$6.0 million as compared to approximately HK\$124.5 million as at 31 December 2010. This was mainly due to the acquisition of plant and equipment in He Yuan.

As at 30 June 2011, current assets amounted to approximately HK\$141.2 million, comprised mainly of the followings:

- (a) Inventories of approximately HK\$37.5 million; an increase of approximately HK\$16.2 million as compared to HK\$21.3 million as at 31 December 2010 which was mainly due to the upcoming delivery of orders to customers at period end;
- (b) Trade and other receivables of approximately HK\$77.2 million; an increase of approximately HK\$5.8 million from approximately HK\$71.4 million as at 31 December 2010 which was attributable to higher period-end sales in HY2011;
- (c) Deferred expense of approximately HK\$4.5 million which are related to dual listing of Company's shares on SEHK and to be charged to profit or loss or deducted from equity in the second half of the financial year 2011; and



- (d) Cash and cash equivalents of approximately HK\$21.9 million; a decrease of approximately HK\$6.9 million from approximately HK\$28.8 million as at 31 December 2010.

#### Liabilities

As at 30 June 2011, our current liabilities amounted to approximately HK\$94.8 million and comprised mainly of the followings:

- (a) Trade and other payables of approximately HK\$38.9 million; an increase of approximately HK\$12.8 million from approximately HK\$26.1 million as at 31 December 2010. This was mainly due to an increase in trade payables of approximately HK\$11.2 million resulting from better credit terms from its suppliers and increase in purchases at period end;
- (b) Bank borrowings of approximately HK\$49.6 million; an increase of approximately HK\$14.9 million from approximately HK\$34.7 million as at 31 December 2010. This was mainly due to new bank borrowings of approximately HK\$19.5 million obtained and increase in trust receipt loans of approximately HK\$6.7 million which was partly offset by the repayment of approximately HK\$11.3 million; and
- (c) Obligations under finance leases of approximately HK\$4.9 million; a decrease of approximately HK\$5.9 million from approximately HK\$10.8 million as at 31 December 2010.

#### Equity

As at 30 June 2011, total equity stood at approximately HK\$173.2 million as compared to approximately HK\$170.6 million as at 31 December 2010. The increase of approximately HK\$2.5 million was mainly due to the profit attributable to owners of the Company for HY2011 of approximately HK\$5.2 million and the exchange gain on translation of financial statements of foreign operations of approximately HK\$1.7 million offset by payment of final dividend for FY2010 of approximately HK\$4.4 million.

#### STATEMENT OF CASH FLOWS

Net cash used in operating activities for HY2011 amounted to HK\$1.1 million as compared to net cash generated from operating activities for HY2010 of approximately HK\$22.7 million. This was mainly due to an increase in inventories of approximately HK\$16.1 million and increase in trade and other receivables and deferred expense of approximately HK\$10.1 million. The increase was partly offset by an increase in trade and other payables of approximately HK\$12.6 million.

Net cash used in investing activities for HY2011 amounted to approximately HK\$10.3 million, an increase of approximately HK\$9.2 million as compared to approximately HK\$1.1 million for HY2010. This was mainly due to acquisition of plant and equipment in He Yuan.

Net cash from financing activities for HY2011 amounted to approximately HK\$4.5 million as compared to net cash used in financing activities of approximately HK\$20.1 million for HY2010. This was mainly due to new bank borrowings of approximately HK\$19.5 million and increase in trust receipt loans of approximately HK\$6.7 million which was partly offset by the repayment of bank borrowings of approximately HK\$11.3 million.

As at 30 June 2011, the Group's cash and cash equivalents amounted to approximately HK\$21.9 million.



9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement had been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Looking ahead, we will leverage on the Group's dedicated strength in printing and production expertise and experience in specialised products to enhance our market position and increase our market share. The Group intends to focus on the development of children's booklets and the stationery market where more specialised skills and techniques are required and hence enjoy a higher profit margin. The Group will endeavour to market value-added children's products by participating in international and domestic trade fairs.

Along with sustained economic growth, rising average disposable incomes and higher living standards in the PRC, the Group believes that increasing demand in the PRC for high-end premium products presents tremendous opportunities for our future development. Thus, we plan to set up sales offices / showrooms for specialised products in major cities in the PRC to identify potential customers, and strive to seek new business opportunities.

The strong business relationships with our existing customers in Hong Kong, Europe and North America continue to be one of the key assets to the Group. To secure more sales orders from them and expand our customer base, we will strengthen and enlarge our sales and marketing team.

Given the current debt and financial conditions in the United States and Europe, the Group expects business conditions to be challenging in the second half of FY2011.

11. **Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

No.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.



**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended for the six months ended 30 June 2011.

**13. Use of HK IPO proceeds**

The Company's shares were dual primarily listed on SEHK on 12 July 2011 and 30,000,000 new shares were issued since then. The net proceeds from the issue of new shares under the share offer, after deducting related underwriting fees and estimated expenses payable by the Company in connection thereto, are HK\$31.1 million. The Board intends to apply such net proceeds as follows:

- approximately 86% of the net proceeds for the expansion of our production capacity including construction of new workshops;
- approximately 5% of the net proceeds for the expansion of our sale and distribution network and the promotion of our new products; and
- the remaining approximately 9% of the net proceeds for the working capital of our Group.

Up to the date of this announcement the Group has not utilised any of the HK IPO proceeds.

**14. Interested parties transactions**

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual:

- Not applicable

**CONFIRMATION BY THE BOARD PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL**

We, Thomas Sze Chun Lee and Raymond Chan Wai Ming, being Directors of China Print Power Group Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company, that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six months ended 30 June 2009 to be false or misleading in any material aspect.

On Behalf of the Board

Thomas Sze Chun Lee  
Executive Director and CEO  
Date: 14 August 2011

Raymond Chan Wai Ming  
Executive Director and COO  
Date: 14 August 2011