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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Capitalised terms used in this cover shall have same meanings as those defined in this Prospectus.

**If you are in any doubt** as to any aspect of this Prospectus or as to the action you should take, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares, you should at once hand the Rights Issue Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Rights Issue Documents, having attached thereto the written consent referred to under the paragraph headed "Expert" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance. A copy each of the Rights Issue Documents will also be filed with the Registrar of Companies in Bermuda in compliance with Bermuda law. The SFC, the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of the Rights Issue Documents.

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## 1010 PRINTING GROUP LIMITED

匯星印刷集團有限公司\*

(Incorporated in Bermuda with limited liability)

Stock Code: 1127

**PROPOSED RIGHTS ISSUE OF 200,000,000 RIGHTS SHARES OF HK\$0.01 EACH  
AT THE SUBSCRIPTION PRICE OF HK\$0.50 PER RIGHTS SHARE ON THE  
BASIS OF TWO RIGHTS SHARES FOR EVERY FIVE EXISTING SHARES  
HELD ON THE RECORD DATE**

Financial Adviser to the Company



Underwriter



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Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, inter alia, the fulfillment and/or waiver (where applicable) of the conditions set out under the sub-paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" on pages 15 to 16 of this Prospectus. Recruit is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events as set out in the section headed "Termination of the Underwriting Agreement" on page 17 of this Prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares. Any dealings in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and/or waived (as applicable) (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), and any dealings in the Rights Shares in their nil-paid form from Tuesday, 19 March 2013 to Tuesday, 26 March 2013 (both dates inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares and/or the Rights Shares (in their nil-paid form) are advised to consult their own professional advisers.

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Tuesday, 2 April 2013. The procedures for acceptance and payment or transfer of the Rights Shares are set out on page 10 of this Prospectus.

\* For identification purposes only

15 March 2013

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## EXPECTED TIMETABLE

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The expected timetable for the Rights Issue is set out below:

2013

Closure of the register of members for determining entitlements under the Rights Issue (both days inclusive) .....	Friday, 8 March to Thursday, 14 March
Record Date for determining entitlements under the Rights Issue .....	4:30 p.m. on Thursday, 14 March
Registers of members re-open .....	Friday, 15 March
Despatch of the Rights Issue Documents .....	Friday, 15 March
First day for dealings in nil-paid Rights Shares .....	Tuesday, 19 March
Latest time for splitting of nil-paid Rights Shares .....	4:30 p.m. on Thursday, 21 March
Last day for dealings in nil-paid Rights Shares .....	Tuesday, 26 March
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares .....	4:00 p.m. on Tuesday, 2 April
Rights Issue expected to become unconditional .....	4:00 p.m. on Monday, 8 April
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company on or before .....	Tuesday, 9 April
Certificates for the Rights Shares expected to be despatched on or around .....	Wednesday, 10 April
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or around .....	Wednesday, 10 April
Expected first day of dealings in fully-paid Rights Shares .....	9:00 a.m. on Thursday, 11 April

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## EXPECTED TIMETABLE

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*Note:* All times and dates in this Prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this Prospectus, are indicative only and may be varied by agreement between the relevant parties. If any special circumstances arise, the Board and the board of directors of Recruit may extend, or make adjustment to, the expected timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at the time stated above if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. In such event, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. In such event, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcements”	the announcements of the Company dated 22 February 2013 and 25 February 2013 in relation to, among other things, the Rights Issue;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for business of dealings in securities;
“Bye-laws”	the bye-laws of the Company;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Closing Date”	such date falling on the third Business Day after the Latest Time for Acceptance or such later date as the Company and Recruit may agree in writing;
“CMGL”	Cinderella Media Group Limited, a company continued in Bermuda with limited liability, the securities of which are listed on the Main Board of the Stock Exchange and the holding company of Recruit;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended);
“Company”	1010 Printing Group Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“HIBOR”	Hong Kong Interbank Offered Rate;
“HKSCC”	Hong Kong Securities Clearing Company Limited;

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region;
“Irrevocable Undertakings”	the irrevocable undertakings dated Friday, 22 February 2013 given by the Undertaking Shareholders to the Company as described in the paragraph headed “Irrevocable Undertakings of the Undertaking Shareholders” in this Prospectus;
“Last Trading Day”	Friday, 22 February 2013 being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the announcement of the Company dated 22 February 2013;
“Latest Acceptance Date”	Tuesday, 2 April 2013 being the last day for acceptance of, and payment for, the Rights Shares, or such other date as the Company and Recruit may agree in writing;
“Latest Practicable Date”	Monday, 11 March 2013, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information in this Prospectus;
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the Rights Shares, which is expected to be 4:00 p.m. on the Latest Acceptance Date;
“Latest Time for Termination”	4:00 p.m. on the Closing Date or such later date as the Company and Recruit may agree in writing;
“Listing Committee”	shall have the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) to whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares to on account of either the legal restrictions under the laws of a place outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the registers of members of the Company on the Record Date and whose address(es) as shown on such register is outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue;

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## DEFINITIONS

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“Participation”	in respect of CMGL, (i) the entering into of the Underwriting Agreement by Recruit, pursuant to which Recruit has agreed to underwrite 200,000,000 Rights Shares, being all the Rights Shares to be issued in the Rights Issue less 145,634,831 Rights Shares agreed and undertaken to be taken up by the Undertaking Shareholders; and (ii) the irrevocable undertaking of Recruit to subscribe or procure the subscription of the provisional allotment of an aggregate of 119,957,962 Rights Shares, being its aggregate entitlement under the Rights Issue;
“Posting Date”	Friday, 15 March 2013 or such other date as the Company and Recruit may agree in writing for the despatch of the Rights Issue Documents;
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue;
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date other than the Non-Qualifying Shareholders;
“Record Date”	Thursday, 14 March 2013 (or such other date as the Company and Recruit may agree in writing), being the date by reference to which entitlements to the Rights Issue are expected to be determined;
“Recruit”	Recruit (BVI) Limited, a company incorporated under the laws of the British Virgin Islands and the controlling Shareholder and a wholly owned subsidiary of CMGL;
“Registrar”	Computershare Hong Kong Investor Services Ltd., the Hong Kong branch share registrar of the Company at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong;
“Rights Issue”	the proposed issue by the Company of the Rights Shares at the Subscription Price on the basis of two (2) Rights Shares for every five (5) existing Shares held on the Record Date payable in full on acceptance;
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s);
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HK\$0.01 each;
“Shareholder(s)”	duly registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.50 per Rights Share;
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged accompanied by cheques or other remittances for the full amount payable in respect thereof;
“Undertaking Shareholders”	being Recruit; ER2 Holdings Limited, a company incorporated under the laws of Hong Kong; City Apex Limited, a company incorporated under the laws of the British Virgin Islands; Mr. Lau Chuk Kin and Mr. Chen Huang Zhi;
“Underwriting Agreement”	the underwriting agreement dated Friday, 22 February 2013 and entered into between the Company and Recruit in relation to the Rights Issue;
“Underwritten Shares”	the Rights Shares underwritten by Recruit pursuant to the terms of the Underwriting Agreement;
“Untaken Share(s)”	the Rights Shares not taken up by the Qualifying Shareholders; and
“%”	per cent. or percentage.



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## TERMINATION OF THE UNDERWRITING AGREEMENT

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### Termination of the Underwriting Agreement

At any time prior to the Latest Time for Termination, if there occurs:

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including any disruption to trading generally or trading in any securities of the Company on any stock exchange, or a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (iii) any act of God, fire, flood, explosion, epidemic, war, act of terrorism, riot, public disorder, civil commotion, strike or lock-out; or
- (iv) any suspension or a material limitation in trading in securities generally on the Stock Exchange, or a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong;

and in the reasonable opinion of Recruit, such change could have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue, Recruit may terminate the Underwriting Agreement.

**If prior to the Latest Time for Termination any notice to rescind or terminate the Underwriting Agreement is given by Recruit, the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of any antecedent breaches and claims). If Recruit exercises such right, the Rights Issue will not proceed.**

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## LETTER FROM THE BOARD

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### 1010 PRINTING GROUP LIMITED

匯星印刷集團有限公司\*

(Incorporated in Bermuda with limited liability)

Stock Code: 1127

*Executive Directors:*

Mr. Yang Sze Chen, Peter  
Mr. Lau Chuk Kin  
Mr. Li Hoi, David  
Mr. Lam Wing Yip

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Independent Non-executive Directors:*

Mr. Yeung Ka Sing  
Prof. Lee Hau Leung  
Mr. Tsui King Chung, David  
Dr. Ng Lai Man, Carmen

*Principal place of business:*

Units 2&3, 5/F, Lemmi Centre  
50 Hoi Yuen Road  
Kwun Tong  
Hong Kong

15 March 2013

*To the Qualifying Shareholders,*

Dear Sir/Madam,

**PROPOSED RIGHTS ISSUE OF 200,000,000 RIGHTS SHARES OF HK\$0.01 EACH  
AT THE SUBSCRIPTION PRICE OF HK\$0.50 PER RIGHTS SHARE ON THE  
BASIS OF TWO RIGHTS SHARES FOR EVERY FIVE EXISTING SHARES  
HELD ON THE RECORD DATE**

#### INTRODUCTION

Reference is made to the Announcements dated 22 February 2013 and 25 February 2013 whereby the Board announced that the Company proposed to raise approximately HK\$100 million by way of a rights issue of 200,000,000 Rights Shares on the basis of two (2) Rights Shares for every five (5) existing Shares held by Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.50 per Rights Share.

The purpose of this Prospectus is to provide you with the details regarding the Rights Issue, including information on the dealings, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### RIGHTS ISSUE

Details of the Rights Issue are set out below:

#### Issue statistics

Basis of the Rights Issue	:	two (2) Rights Shares for every five (5) existing Shares held on the Record Date
Subscription Price	:	HK\$0.50 per Rights Share
Number of Shares in issue as at the Record Date	:	500,000,000 Shares
Number of Rights Shares	:	200,000,000 Rights Shares (assuming no new Shares are allotted and issued or repurchased on or before the Record Date)
Underwriter	:	Recruit
Enlarged issued share capital upon completion of the Rights Issue	:	700,000,000 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)
Subscription by Undertaking Shareholders	:	the Undertaking Shareholders have irrevocably undertaken under the Irrevocable Undertakings to subscribe, or procure the subscription, in full of their respective entitlements under the Rights Issue relating to the Shares beneficially owned by each of them amounting to, in aggregate, 145,634,831 Rights Shares

As at the Latest Practicable Date, the Company has no outstanding convertible securities or options in issue or other similar rights which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

Assuming no new Shares (other than the Rights Shares) are allotted and issued or repurchased on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 40.0% of the Company's issued share capital as at the Record Date and approximately 28.6% of the Company's issued share capital as enlarged by the Rights Issue.

Pursuant to the Underwriting Agreement, the Company has undertaken that it shall not, without the prior consent of Recruit, issue any further share capital, including any securities convertible into or which carry rights to acquire Shares (other than the Rights Shares) or loan capital from the date of the Underwriting Agreement pending commencement of dealings in the fully paid Rights Shares.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price of HK\$0.50 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price of HK\$0.50 per Rights Share represents:

- (i) a discount of approximately 36.7% to the closing price of HK\$0.79 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 39.8% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.83;
- (iii) a discount of approximately 39.0% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.82;
- (iv) a discount of approximately 29.6% to the theoretical ex-rights price of approximately HK\$0.71 per Share based on the closing price of HK\$0.79 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 44.4% to the net asset value per Share of HK\$0.90 based on the audited net asset value of the Group of approximately HK\$452.0 million as at 31 December 2012 as stated in the announcement of financial results of the Company for the year ended 31 December 2012 dated 21 February 2013, and 500,000,000 Shares in issue as at the Latest Practicable Date.

Each Rights Share will have a par value of HK\$0.01.

The Subscription Price was arrived at after arm's length negotiations between the Company and Recruit and with reference to the prevailing market conditions and recent financial conditions of the Group as well as the market price of the Shares prior to and including the Last Trading Day. The net profits before taxation and extraordinary items of the Group for the two financial years ended 31 December 2012 are HK\$73.0 million and HK\$81.8 million respectively. The net profits after taxation and extraordinary items of the Group for the two financial years ended 31 December 2012 are HK\$62.4 million and HK\$68.2 million respectively.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values indicated above), to be fair and reasonable to, and in the interests of, the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Directors further consider that the discount on the Subscription Price as compared to the recent market prices could enhance the attractiveness of the Rights Issue to the Shareholders. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be two (2) Rights Shares for every five (5) existing Shares held by Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.50 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares with the Registrar on or before the Latest Time for Acceptance.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully-paid) will rank pari passu in all respects with the then existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Certificates for the Rights Shares and refund cheques**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or around Wednesday, 10 April 2013 to those persons (at their own risk) who have paid for and have accepted the Rights Shares. Applicant(s) will receive one Share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post on or around Wednesday, 10 April 2013 to the applicants at their own risk.

### **Fractional entitlements to the Rights Shares**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number of Rights Shares). All nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess applications by Qualifying Shareholders. No odd lot matching services will be provided.

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## LETTER FROM THE BOARD

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### **Procedures for acceptance and payment or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at or before 4:00 p.m. on the Latest Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**1010 Printing Group Limited-PAL**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar at or before 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation at or before 4:30 p.m. on Thursday, 21 March 2013 with the Registrar, which will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders for the Rights Shares will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If any of the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed and the monies received in respect of acceptances of the Rights Shares will be refunded to the applicants without interest by means of cheque(s) to be despatched by ordinary post at the risk of such applicants on or before Wednesday, 10 April 2013.

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## LETTER FROM THE BOARD

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### Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for:

- (i) any unsold Rights Shares which would have been allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders;
- (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares; and
- (iii) any unsold aggregated fractions of nil-paid Rights Shares.

Application for excess Rights Shares may be made only by a Qualifying Shareholder and only by completing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Tuesday, 2 April 2013 or such later time as may be agreed between the Company and Recruit. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**1010 Printing Group Limited-EAF**" and crossed "**Account Payee Only**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of the results of acceptance of and excess applications for the Rights Issue will be published on Tuesday, 9 April 2013.

Any excess Rights Shares will, at the discretion of the Directors, be allocated and allotted on a fair and reasonable basis and as far as practicable on the following principles:

- (i) preference will be given to those applications which will top-up odd lots to whole board lots where it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- (ii) subject to the availability of excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to Qualifying Shareholders who have applied for excess Rights Shares on a pro rata basis by reference to the number of excess Rights Shares they have applied for, with flexibility to round up to whole board lots at the discretion of the Directors.

Investors whose Shares are held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder in accordance with the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are deposited in CCASS) should note that the aforesaid odd lots arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

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## LETTER FROM THE BOARD

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If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post and at his own risk on or before Wednesday, 10 April 2013. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to him by ordinary post and at his own risk on or before Wednesday, 10 April 2013.

If Recruit exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of the relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post at the risk of such applicants on or before Wednesday, 10 April 2013.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

### **Application for listing**

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 4,000 (as the Shares are currently traded on the Main Board of the Stock Exchange in board lots of 4,000). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

### **Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the grant of the approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.



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## LETTER FROM THE BOARD

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All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must (i) be registered as a member of the Company at the close of business on the Record Date and (ii) not be a Non-Qualifying Shareholder.

The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send any PALs and EAFs to them.

The Latest Acceptance Date and payment for the Rights Shares is expected to be 4:00 p.m. (Hong Kong time) on Tuesday, 2 April 2013.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

### **Non-Qualifying Shareholders**

Based on the registers of members of the Company, as at the Record Date, the Company had no Overseas Shareholders. As such, no arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to Non-Qualifying Shareholders to be sold in the market in their nil-paid form after dealings in the nil-paid Rights Shares commence on the Stock Exchange but before the Latest Time for Acceptance.

**The Company reserves the right to treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, investors whose Shares are deposited in CCASS and who are residing outside Hong Kong should exercise caution when dealing in the Shares.**

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## LETTER FROM THE BOARD

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### UNDERWRITING ARRANGEMENT

#### Underwriting Agreement

Date:	:	22 February 2013
Issuer	:	The Company
Underwriter	:	Recruit
Number of Underwritten Shares	:	200,000,000 Rights Shares, being all the Rights Shares to be issued in the Rights Issue less 145,634,831 Rights Shares agreed and undertaken to be taken up by the Undertaking Shareholders pursuant to the Underwriting Agreement
Commission	:	No commission will be payable by the Company to Recruit

The Rights Issue, except for the Rights Shares undertaken by the Undertaking Shareholders, is fully underwritten by Recruit. Prior to entering into the Underwriting Agreement, the Company had held discussions with other potential underwriters to underwrite the Rights Issue. However, none of these parties were able to offer underwriting terms which were as competitive as those offered by Recruit, who agreed to enter into the Underwriting Agreement in consideration of HK\$10 and to underwrite the Rights Issue free of any underwriting commission. The Directors (including the independent non-executive Directors) consider the absence of underwriting commission to be in the interests of the Company and is fair and reasonable to the Company and the Shareholders as a whole. It is not in the ordinary course of business of Recruit to underwrite issues of shares.

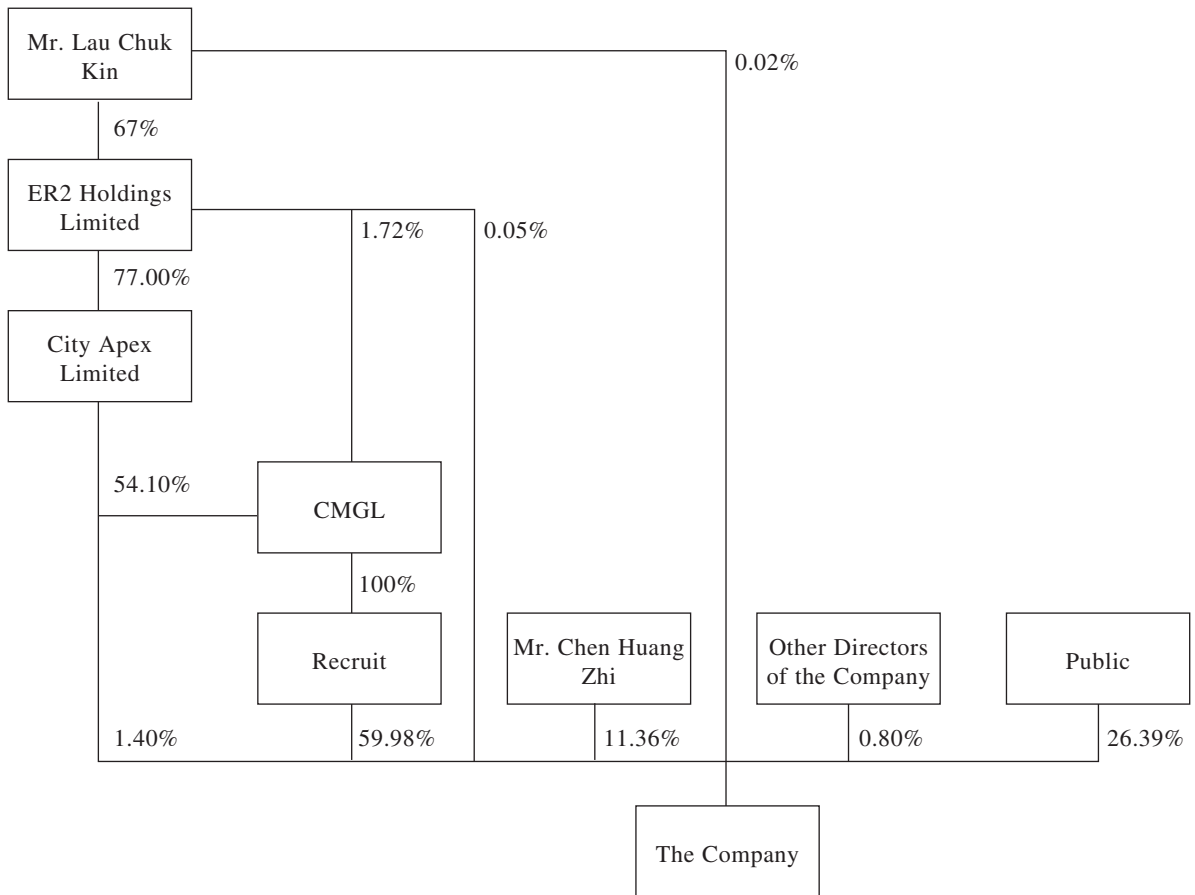
Subject to the fulfillment of the conditions (or any waiver, as the case may be, by Recruit) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, Recruit has agreed to subscribe or procure the subscription for all Underwritten Shares that are not otherwise taken up.

As at the Latest Practicable Date, Recruit is directly interested in 299,894,907 Shares, representing approximately 59.98% of the total issued share capital of the Company. Mr. Lau Chuk Kin, an executive Director, a director of Recruit and an executive director of CMGL, holds 111,628 Shares, representing approximately 0.02% of the Company's total issued share capital and is indirectly interested in the Company through Recruit (a company which directly holds 299,894,907 Shares, representing approximately 59.98% of the Company's total issued share capital), ER2 Holdings Limited (a company which directly holds 262,969 Shares, representing approximately 0.05% of the Company's total issued share capital) and City Apex Limited (a company which directly holds 6,999,524 Shares, representing approximately 1.40% of the Company's total issued share capital). As at the Latest Practicable Date, City Apex Limited directly owns 177,954,000

## LETTER FROM THE BOARD

shares in CMGL (representing approximately 54.10% of CMGL's total issued share capital) and is owned as to 77.00% by ER2 Holdings Limited (which is owned by Mr. Lau Chuk Kin as to 8,375 shares, representing approximately 67% in the total issued share capital of ER2 Holdings Limited). ER2 Holdings Limited directly owns 5,678,000 shares in CMGL (representing approximately 1.72% of CMGL's total issued share capital). Accordingly, Mr. Lau Chuk Kin is indirectly interested in approximately 55.82% of the total issued share capital of Recruit through ER2 Holdings Limited, City Apex Limited and CMGL.

The following group chart illustrates the relationship between the Undertaking Shareholders and the Company as at the Latest Practicable Date:



### Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon, amongst other things, each of the following conditions being fulfilled and/or waived:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Closing Date;

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## LETTER FROM THE BOARD

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- (ii) (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date one copy of each of the Rights Issue Documents duly certified in compliance with section 342C of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) (and all other documents required to be attached thereto), and (b) the delivery and filing with the Registrar of Companies in Bermuda in accordance with the requirements of the Companies Act of one copy of each of the Rights Issue Documents each duly certified as required by the Companies Act, and otherwise complying with the requirements of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong), the Companies Act and the Listing Rules;
- (iii) the posting of the Rights Issue Documents to the Qualifying Shareholders on the Posting Date;
- (iv) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (v) the Company having received the duly executed Irrevocable Undertakings;
- (vi) (a) the Shares remaining listed on the Stock Exchange at all times prior to the Closing Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than five trading days (other than any suspension pending clearance of any announcements); and (b) no indication being received before 4:00 p.m. on the Closing Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (vii) the obligations of Recruit under the Underwriting Agreement not being terminated by Recruit in accordance with the terms of the Underwriting Agreement; and
- (viii) if required, the Bermuda Monetary Authority granting consent to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms under the Rights Issue.

Save for conditions (i), (ii), (iii), (v), (vi), (vii) and (viii) which cannot be waived, Recruit may waive the above conditions (so far as it relates to the Company) by written notice to the Company. If any of the conditions of the Rights Issue are not fulfilled or waived on or before the Posting Date or in the event that the condition in (i) above in respect of fully-paid Rights Shares has not been satisfied on or before 4:00 p.m. on the Closing Date (or such other date or dates as the Company and Recruit may agree in writing) or if the Underwriting Agreement is terminated pursuant to the terms of the Underwriting Agreement as set out in the section headed "Termination of the Underwriting Agreement" below for further details, all obligations and liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other (save in respect of any antecedent breaches and claims). Both the Company and Recruit have agreed to use all reasonable endeavours to procure the fulfillment of the above conditions (to the extent that it is within its power to do so).

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## LETTER FROM THE BOARD

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### Termination of the Underwriting Agreement

At any time prior to the Latest Time for Termination, if there occurs:

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including any disruption to trading generally or trading in any securities of the Company on any stock exchange, or a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (iii) any act of God, fire, flood, explosion, epidemic, war, act of terrorism, riot, public disorder, civil commotion, strike or lock-out; or
- (iv) any suspension or a material limitation in trading in securities generally on the Stock Exchange, or a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong;

and in the reasonable opinion of Recruit, such change could have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue, Recruit may terminate the Underwriting Agreement.

**If prior to the Latest Time for Termination any notice to rescind or terminate the Underwriting Agreement is given by Recruit, the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of any antecedent breaches and claims). If Recruit exercises such right, the Rights Issue will not proceed.**

### IRREVOCABLE UNDERTAKINGS OF THE UNDERTAKING SHAREHOLDERS

#### Background of the Undertaking Shareholders

Please refer to the section headed “Underwriting Agreement” above for the background information of the following Undertaking Shareholders, Recruit, ER2 Holdings Limited, City Apex Limited, Mr. Lau Chuk Kin and Mr. Chen Huang Zhi. Mr. Chen Huang Zhi is a substantial Shareholder holding 56,818,055 Shares, representing approximately 11.36% of the Company’s total issued capital as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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Based on the above, the Undertaking Shareholders being, Recruit, City Apex Limited, ER2 Holdings Limited, Mr. Lau Chuk Kin and Mr. Chen Huang Zhi will be provisionally allotted 119,957,962, 2,799,809, 105,187, 44,651 and 22,727,222 Rights Shares, respectively, pursuant to the Rights Issue in respect of the Shares which are beneficially owned by each of them.

The Undertaking Shareholders have provided the Irrevocable Undertakings to the Company to, among other things, subscribe (or procure the subscription of) 145,634,831 Rights Shares by no later than 4:00 p.m. (Hong Kong time) on the Latest Acceptance Date.

### **Undertakings by the Undertaking Shareholders under the Irrevocable Undertakings**

The Undertaking Shareholders have provided the Irrevocable Undertakings to the Company to undertake, among other things:

- (i) to subscribe, or procure the subscription of, the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by the Undertaking Shareholders as at the Record Date pursuant to the terms of the Rights Issue;
- (ii) that the Undertaking Shareholders will not transfer or otherwise dispose of (including without limitation by the creation of any option, charge or other encumbrances or rights over or in respect of) or acquire (except by taking up Rights Shares pursuant to the Irrevocable Undertaking) the Shares held by them from the date of the undertaking to the close of business on the Record Date (or such date as may be agreed by the Company and the Undertaking Shareholders in writing);
- (iii) to lodge acceptances in respect of the aforesaid Rights Shares with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by the Latest Time for Acceptance of the Rights Shares as specified by the Company or such later date as the Company may agree in accordance with the acceptance instructions contained in the Rights Issue Documents; and
- (iv) not to apply for any Rights Shares in addition to those provisionally allotted to them as referred to in (i) above by way of excess application.

Other than the Undertaking Shareholders, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

## LETTER FROM THE BOARD

### EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

Beneficial Shareholders of the Company	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming no Shareholders have subscribed for any of their entitlements under the Rights Issue, other than the Rights Shares undertaken by the Undertaking Shareholders (note 3)		Immediately after completion of the Rights Issue assuming all Shareholders have subscribed for their entitlements under the Rights Issue	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Recruit (note 1)	299,894,907	59.98	474,218,038	67.75	419,852,869	59.98
ER2 Holdings Limited (note 1)	262,969	0.05	368,156	0.05	368,156	0.05
City Apex Limited (note 1)	6,999,524	1.40	9,799,333	1.40	9,799,333	1.40
Mr. Lau Chuk Kin (notes 1 and 2)	111,628	0.02	156,279	0.02	156,279	0.02
Mr. Chen Huang Zhi	56,818,055	11.36	79,545,277	11.36	79,545,277	11.36
Mr. Lam Wing Yip (note 2)	12,000	0.00	12,000	0.00	16,800	0.00
Mr. Li Hoi, David (note 2)	4,000,000	0.80	4,000,000	0.57	5,600,000	0.80
Public	131,900,917	26.39	131,900,917	18.85	184,661,286	26.39
				(note 3)		
Total	<u>500,000,000</u>	<u>100.00</u>	<u>700,000,000</u>	<u>100.00</u>	<u>700,000,000</u>	<u>100.00</u>

*Notes:*

- Recruit is a wholly owned subsidiary of CMGL. As at the date of Latest Practicable Date, CMGL was owned as to 54.10% by City Apex Limited, and as to 1.72% by ER2 Holdings Limited. ER2 Holdings Limited was the ultimate holding company of City Apex Limited as to 77% of its total issued share capital. Mr. Lau Chuk Kin owned 67% of the issued share capital of ER2 Holdings Limited.
- Mr. Lau Chuk Kin, Mr. Lam Wing Yip and Mr. Li Hoi, David are Directors. Under the Listing Rules, the Directors are connected persons of the Company and therefore Shares held by them are not regarded as part of the public under Rule 8.24 of the Listing Rules.
- Shareholders should note that this scenario in which no Shareholders other than the Undertaking Shareholders subscribe for their entitlements under the Rights Issue and the public float falls below 25% is for illustration purposes only. The Company will take all necessary steps to ensure that the public float level remains at all times above the minimum percentage level.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and are recommended to consult their professional advisers if they are in any doubt about their position and to assess the impact of the Rights Issue and the Underwriting Agreement, in particular, the possibility of the public float of the Company falling below the minimum percentage level of 25% in the event that an insufficient number of Shareholders (other than the Undertaking Shareholders) subscribe for their entitlements under the Rights Issue.**

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## LETTER FROM THE BOARD

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**The Stock Exchange has indicated that if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares, or (ii) there are insufficient Shares in the public hands to maintain orderly market, then it will consider exercising its discretion to suspend dealing in the Shares.**

In the event that the subscription of the Rights Shares by Recruit pursuant to its underwriting obligations under the Underwriting Agreement results in the public float of the Company falling below the minimum percentage level as prescribed by the Listing Rules, Recruit has a contractual obligation under the Underwriting Agreement to procure third parties independent of the Company and its connected persons to subscribe for such number of Underwritten Shares such that the public float requirements under Rule 8.08 of the Listing Rules are complied with. The Company will closely monitor the shareholdings in the Company and take such appropriate steps as may be necessary or required to maintain the minimum public float in compliance with the requirements of the Listing Rules.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Underwriting Agreement contains provisions granting Recruit a right to terminate its obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed “Termination of the Underwriting Agreement” above for further details. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled or waived, the Rights Issue will not proceed, in which case a further joint announcement will be made by the Company and Recruit (through CMGL) at the relevant time.**

**Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 19 March 2013 to Tuesday, 26 March 2013 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which the condition to the Rights Issue is fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

### **REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS**

The Group is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies.

The Company plans to use the proceeds from the Rights Issue in or towards the financing of potential acquisitions/new investments including the possible acquisition of businesses or brokerages engaged in printing, binding, colour separation of printed and non-printed books, magazines and other printed materials and/or the provision of such services. As at the Latest Practicable Date, the Company has not identified any suitable acquisitions targets or investments. However, the Company intends to



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## LETTER FROM THE BOARD

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complete such transaction before the end of the financial year ending 31 December 2013. In the event that any of the aforesaid potential transactions are not expected to materialise before the end of the financial year ending 31 December 2013, or where the Board determines it to be in the commercial interest of the Company to do so at the relevant time, the net proceeds from the Rights Issue may be used as follows:

- approximately HK\$10 million for the purchase of new machinery and equipment, including a new offset printing press and paper cutting machine;
- approximately HK\$34 million for repaying the shareholder's loan from CMGL which was advanced to the Company at an interest rate of 3 months HIBOR plus 2.25%. In the event that any funds from the Rights Issue is applied towards the repayment of the shareholder's loan, the Company would save the interest expense from the early repayment;
- approximately HK\$32 million for the final payment of the acquisition of Asia Pacific Offset Limited. As at the Latest Practicable Date and in accordance with the terms of the acquisition agreement, the Company has paid approximately HK\$108 million to the vendor and a final post completion payment of HK\$32 million is payable on or around 28 December 2014. Proceeds from the Rights Issue will be applied to the post completion payment if the Company is unsuccessful in completing the possible transactions referred to above or the Board determines it to be in the commercial interest of the Company to do so at the relevant time. Until such time, the proceeds will be placed in an interest bearing bank account; and
- the remaining amount will be applied as general working capital. As at 31 December 2012, the Group had cash and bank balance of approximately HK\$103.5 million and bank borrowing and finance leases of approximately HK\$119.1 million as at 31 December 2012. Any remaining proceeds from the Rights Issue and not applied as set out above, will be kept to strengthen the cash position of the Group. Before the Group can identify any potential acquisition/new investments, the remaining amount will be applied to settle short term bank loans to cut the Group's interest expenses, especially during the peak production period. During the peak production period, from June to August, the Group typically requires more cash to finance its inventory and accounts receivables.

The actual use of proceeds from funds raised from the Rights Issue, once determined or applied, will be set out in the annual report of the Company for the year ending 31 December 2013.

Having considered other fund raising alternatives for the Group, including debt financing, and having assessed the cost and benefit of such alternatives, the Directors are of the view that the Rights Issue is the preferred means of fund raising as it allows the Company to raise funds without subjecting it to additional debt and interest payments, while at the same time, it also enables the Company to improve its debt to equity ratio. The Rights Issue will also enable the Group to raise funds without dilution to Shareholders (other than the Non-Qualifying Shareholders) as they will have the opportunity to participate in the Rights Issue on a pro rata basis and to continue to participate in the future developments of the Group. **However, Qualifying Shareholders who do not take up in full the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted as a result of the Rights Issue.**

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## **LETTER FROM THE BOARD**

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The net proceeds of the Rights Issue are estimated to be approximately HK\$98.8 million after the deduction of all estimated expenses (assuming that no new Shares have been allotted and issued or repurchased on or before the Record Date). The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$1.2 million (assuming that no new Shares have been allotted and issued or repurchased on or before the Record Date) and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Share is expected to be approximately HK\$0.49.

Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

### **TAXATION**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

### **EQUITY FUND RAISING BY THE COMPANY**

The Company has not engaged in or initiated any equity fund raising exercises (including any rights issue exercise) during the twelve months immediately preceding the Latest Practicable Date.

### **SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE**

As the proposed Rights Issue would not increase either the issued share capital or the market capitalisation of the Company by more than 50%, the proposed Rights Issue is not required by the Listing Rules to be approved by Shareholders in a general meeting.

### **FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

As indicated in the announcement of the Company dated 21 February 2013 in respect of the Company's final results for the year ended 31 December 2012 (the "Final Year Results"), the Group recorded an increase in profit of approximately 9% compared with the year ended 31 December 2011. The increase in revenue was mainly attributable to continuous order growth from establishment of sales office in United States.

Gross profit margin for the year improved from 19% to 22%. This was driven by the decrease in cost of raw materials contributed by the effective procurement strategy implemented in the year.

Selling and distribution costs increased from approximately HK\$56.2 million to HK\$70.7 million. The increase was mainly caused by the establishment of a sales team in the United States in September 2011 as well as increase in freight related costs.

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## LETTER FROM THE BOARD

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Administrative expense increased by approximately 30% was due to the general increase in corporate expenses after listing and the increment in staff costs. The Group's total comprehensive income attributable to owners of the Company amounted to approximately HK\$68.1 million, representing an increase of 9% over total comprehensive income attributable to owners of the Company of HK\$62.4 million for the year ended 31 December 2011.

Looking forward, the Group believes that 2013 has started off well and its order in hand is in line with its forecast. The announced increase in minimum wage in China will force printers to pass on the costs to customers. The Company's strong balance sheet and supply chain expertise will empower it to gain further market share in 2013.

In conclusion, the Group's financial strength will be enhanced upon the completion of the Rights Issue, enabling it to pursue potential acquisitions/new investments as and when opportunities arise. The Group will also continue to look for new opportunities to diversify to expand its sources of income and its scale of operation and implement effective cost control measures to enhance overall profitability, generating better returns for Shareholders.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus

Yours faithfully,  
For and on behalf of the Board of  
**1010 Printing Group Limited**  
**Lau Chuk Kin**  
*Executive Director*

**1. AUDITED COMBINED FINANCIAL INFORMATION OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2010**

The audited combined financial information of the Group for the financial year ended 31 December 2010 together with the relevant notes to the financial statements are set out on page I-4 to page I-47 of the IPO prospectus of the Company published on 30 June 2011, which can be accessed from the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.1010printing.com](http://www.1010printing.com).

**2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2011**

The audited consolidated financial statements of the Group for the financial year ended 31 December 2011 together with the relevant notes to the financial statements are set out on page 34 to page 97 of the annual report of the Company for the year ended 31 December 2011 published on 8 March 2012, which can be accessed from the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.1010printing.com](http://www.1010printing.com).

**3. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2012**

The audited consolidated financial statements of the Group for the financial year ended 31 December 2012 together with the relevant notes to the financial statements are set out on page 38 to page 98 of the annual report of the Company for the year ended 31 December 2012 published on 15 March 2013, which can be accessed from the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.1010printing.com](http://www.1010printing.com).

**4. INDEBTEDNESS****Borrowings**

At the close of business on 31 January 2013, which is the latest practicable date for the purpose of this indebtedness statement prior to printing of this Prospectus, the Group had total bank borrowings of approximately HK\$107,213,000, finance lease liabilities of approximately HK\$6,240,000 and loan from intermediate holding company of approximately HK\$33,500,000. All the bank borrowings and finance lease liabilities were secured by the corporate guarantee provided by the Company. Bank borrowings of HK\$9,903,000 were further secured by the leasehold property of the Group and the personal guarantee from an executive Director of the Company.

As at 31 January 2013, the banking facilities of one of the Group's subsidiary was secured by a charge over proceeds from documentary credit and an all-monies debenture over the assets and an undertaking of the subsidiary.

**Commitments**

As at 31 January 2013, the Group had capital commitment of approximately HK\$10,304,000 in respect of acquisition of property, plant and equipment; and operating lease commitments of approximately HK\$63,920,000 in respect of the leases of certain properties and production facilities.

**Disclaimer**

Save as disclosed above and apart from intra-group liabilities and normal payable in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, or any outstanding debt securities, bank overdrafts and liabilities under acceptances or acceptance credits or other similar borrowings, indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 31 January 2013.

**5. WORKING CAPITAL**

The Directors are of the opinion that after taking into account the cash flows generated from the operating activities, the financial resources available to the Group including the existing banking facility available and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements in the next twelve months from the date of this Prospectus in the absence of unforeseen circumstances.

**6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in financial or trading position of the Group since 31 December 2012.

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**APPENDIX II                      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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**A.      UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

**Introduction**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2012.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the audited net assets of the Group attributable to owners of the Company as at 31 December 2012, as extracted from the published annual report of the Company for the year ended 31 December 2012 and is adjusted for the effect of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not reflect the true picture of the consolidated net tangible assets of the Group following the Rights Issue.

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

	Audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2012 <i>HK\$'000</i> <i>(Note 1)</i>	Less: Intangible assets <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2012 <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the Rights Issue <i>HK\$'000</i>
Based on 200,000,000 Rights Shares to be issued at Subscription Price of HK\$0.50 per Rights Share	451,161	(66,487)	384,674	98,800	483,474
Unaudited pro forma adjusted consolidated net tangible assets per Share prior to the completion of the Rights Issue <i>(Note 4)</i>					0.967
Unaudited pro forma adjusted consolidated net tangible assets per Share after the completion of the Rights Issue <i>(Note 5)</i>					0.691

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**APPENDIX II                      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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*Notes:*

1. The audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2012 was approximately HK\$451,161,000 as disclosed in the published annual report of the Company for the year ended 31 December 2012.
2. Intangible assets represented goodwill and non competition covenants arising from the acquisition of subsidiaries of approximately HK\$65,746,000 and HK\$741,000, respectively, as extracted from the published annual report of the Company for the year ended 31 December 2012.
3. The estimated net proceeds from the Rights Issue is calculated based on 200,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.50 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1.2 million.
4. The number of Shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Share prior to the completion of the Rights Issue is based on 500,000,000 Shares in issue as at 31 December 2012.
5. The unaudited pro forma adjusted consolidated net tangible assets per Share of the Group after the completion of the Rights Issue is calculated based on 700,000,000 Shares which represents the existing 500,000,000 Shares in issue as at 31 December 2012 and 200,000,000 Shares expected to be issued following the completion of the Rights Issues.
6. No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2012.

**B.     REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

*The following is the text of a report received from the reporting accountant of the Company, BDO Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group.*



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香港干諾道中111號  
永安中心25樓

15 March 2013

The Board of Directors  
1010 Printing Group Limited  
Units 2&3, 5/F, Lemmi Centre  
50 Hoi Yuen Road, Kwun Tong  
Kowloon  
Hong Kong

Dear Sirs,

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets of 1010 Printing Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) (the “Unaudited Pro Forma Financial Information”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed rights issue of the Company (the “Rights Issue”) might have affected the consolidated net tangible assets of the Group if the Rights Issue had taken place on 31 December 2012, for inclusion in Appendix II to the prospectus of the Company dated 15 March 2013 (the “Prospectus”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

**Respective Responsibilities of Directors of the Company and Reporting Accountants**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.



**Basis of Opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Our work did not constitute an audit or a review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 31 December 2012 or any future dates; or
- the consolidated net tangible assets per share of the Group as at 31 December 2012 or any future dates.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,  
**BDO Limited**  
*Certified Public Accountants*  
**Au Yiu Kwan**  
Practising Certificate no. P05018  
Hong Kong

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Prospectus misleading.

## 2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date up to completion of the Rights Issue) was and will be as follows:

### As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
1,000,000,000 Shares of HK\$0.01 each	10,000,000
<i>Issued and fully paid:</i>	<i>HK\$</i>
500,000,000 Shares of HK\$0.01 each	5,000,000

### Immediately after completion of the Rights Issue

<i>Rights Shares to be issued:</i>	<i>HK\$</i>
200,000,000 Shares of HK\$0.01 each	2,000,000
<i>Issued and fully paid:</i>	<i>HK\$</i>
500,000,000 Shares of HK\$0.01 each	5,000,000
<i>Shares in issue immediately upon completion of the Rights Issue:</i>	<i>HK\$</i>
700,000,000 Shares of HK\$0.01 each	7,000,000

The Right Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Right Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

### 3. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### (a) Interests in Shares of the Company

Name of Director	Nature of interest	No. of Shares held	Approximate % of issued share capital of the Company
Lau Chuk Kin ( <i>Note 1</i> )	Beneficial owner/ Interests in controlled corporation	307,269,028	61.45%
Lam Wing Yip	Beneficial owner	12,000	0.003%
Li Hoi, David	Beneficial owner	4,000,000	0.80%

**(b) Interests in shares of associated corporation of the Company**

Name of Director	Name of associated corporation	Nature of interest	No. of shares held	Approximate % of issued share capital of the relevant associated corporation
Lau Chuk Kin ( <i>Note 2</i> )	CMGL	Interest in controlled corporation	183,632,000	55.82%
Lau Chuk Kin	ER2 Holdings Limited (“ER2 Holding”)	Beneficial owner	8,375	67.00%
Li Hoi, David	Express Ocean Investment Limited	Beneficial owner	400	20%

**(c) Long positions in underlying shares of CMGL, an associated corporation of the Company – share options**

Name of Director	Nature of interest	No. of share options held	Approximate % of issued share capital of Cinderella
Yang Sze Chen, Peter	Beneficial owner	1,200,000	0.36%
Lam Wing Yip	Beneficial owner	450,000	0.14%

*Notes:*

- Of 307,269,028 shares, 299,894,907 shares, 6,999,524 shares, 262,969 shares and 111,628 shares are beneficially owned by Recruit (a wholly owned subsidiary of CMGL), City Apex Limited, ER2 Holdings and Mr. Lau Chuk Kin respectively. CMGL was owned as to 54.10% by City Apex Limited and as to 1.72% by ER2 Holdings. ER2 Holdings was the ultimate holding company of City Apex Limited, of which Mr. Lau Chuk Kin owned 67% of the issued share capital of ER2 Holdings and accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said shares pursuant to Part XV of the SFO.
- Of 183,632,000 shares, 5,678,000 shares and 177,954,000 shares are beneficially owned by ER2 Holdings and City Apex Limited respectively. ER2 Holdings, which is the ultimate holding company of City Apex Limited, is beneficially owned as to 67% by Mr. Lau Chuk Kin. Accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said shares pursuant to Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

#### 4. SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at the Latest Practicable Date, so far as was known to any of the Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

##### Interests in the Company:

Name of Shareholders	Nature of interests	No. of Shares held	Approximate % of issued share capital of the Company
ER2 Holdings ( <i>Note</i> )	Beneficial owner/ Interest in controlled corporation	307,157,400	61.43%
City Apex Limited ( <i>Note</i> )	Beneficial owner/ Interest in controlled corporation	306,894,431	61.38%
CMGL ( <i>Note</i> )	Interest in controlled corporation	299,894,907	59.98%
Recruit ( <i>Note</i> )	Beneficial owner	299,894,907	59.98%
Mr. Chen Huang Zhi	Beneficial owner	56,818,055	11.36%

*Note:*

Of 307,157,400 shares, 299,894,907 shares, 6,999,524 shares and 262,969 shares are beneficially owned by Recruit (a wholly owned subsidiary of CMGL), City Apex Limited and ER2 Holdings respectively. CMGL was owned as to 54.10% by City Apex Limited and as to 1.72% by ER2 Holdings. ER2 Holdings was the ultimate holding company of City Apex Limited. Mr. Lau Chuk Kin owned 67% of the issued share capital of ER2 Holdings and accordingly, Mr. Lau is deemed to be interested in the said shares pursuant to Part XV of the SFO. Mr. Lau is a director of each of ER2 Holdings, City Apex Limited, CMGL and Recruit.

Save as disclosed above, there is no person known to the Directors or chief executive of the Company, who, as at the Latest Practicable Date, had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or had any options in respect of such capital.

### **Competing interests**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **Other interests**

On 22 and 25 January 2013, the Group acquired from Mr. Li Hoi, David (who was then the managing director of a subsidiary of the Company and who became an executive Director since 1 February 2013) the remaining 20% equity interests in its subsidiaries Oceanic Graphic International Inc. and O.G. Printing Productions Limited at a consideration of HK\$154,000 and HK\$320,000 respectively. Such companies then became the indirect wholly-owned subsidiaries of the Company. Further, the Group also rents an office space from Express Ocean Investment Limited, a subsidiary of the Company and in which Mr. Li held 20% shareholding interest as at the Latest Practicable Date, for HK\$544,920 per year.

Save for the aforesaid, As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2012 (being the date to which the latest published audited accounts of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

Save for Mr. Lau's interest in the Underwriting Agreement through his indirect shareholding in Recruit, none of the other Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

## **5. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any material litigation or claims and, so far as the Directors were aware, no material litigation or claims were pending or threatened by or against any members of the Group.

**6. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Registered office of the Company</b>	Clarendon House 2 Church Street Hamilton, HM11 Bermuda
<b>Principal place of business in Hong Kong</b>	Units 2&3, 5/F Lemmi Centre 50 Hoi Yuen Road Kwun Tong Hong Kong
<b>Principal share registrar and transfer office</b>	Butterfield Fulcrum Group (Bermuda) Limited 26 Burnaby Street Hamilton HM11 Bermuda
<b>Branch share registrar and transfer office of the Company in Hong Kong</b>	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
<b>Authorised representatives</b>	Mr. Lau Chuk Kin Ms. Tan Lai Ming
<b>Company secretary</b>	Ms. Tan Lai Ming, <i>FCCA, FCCA</i>
<b>Legal adviser to the Company as to Hong Kong law</b>	Reed Smith Richards Butler 20/F Alexandra House 18 Chater Road Central Hong Kong
<b>Financial adviser to the Company</b>	Investec Capital Asia Limited Room 3609, 36/F Two International Finance Centre 8 Finance Street Central Hong Kong

<b>Auditor</b>	BDO Limited 25/F, Wing On Centre 111 Connaught Road Central Hong Kong
<b>Principal banker</b>	The HongKong and Shanghai Banking Corporation Limited No. 1 Queen's Road Central Hong Kong

#### 7. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

<b>Name</b>	<b>Address</b>
<i>Executive Directors</i>	
Mr. Yang Sze Chen, Peter	6/F, Block 14 Fontana Gardens 14 Ka Ning Path Tai Hang Hong Kong
Mr. Lau Chuk Kin	Spring Villa, 71 Ng Tung Chai, Tai Po, New Territories
Mr. Lam Wing Yip	Flat 13, 3/F Lung Wu House Lung Poon Court Kowloon Hong Kong
Mr. Li Hoi, David	Flat B, 5/F. Tower 1, Greenfield Court 9-11 Sha Tin Wai Road, Shatin New Territories Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. Yeung Ka Sing	2/F, 4A Wilson Road Jardine's Lookout Hong Kong
Prof. Lee Hau Leung	25462 Altamont Road Los Altos Hills CA 94022 USA
Mr. Tsui King Chung, David	Flat A, 16/F, Dragon Garden 1 Chun Fai Terrace Tai Hang Road Hong Kong



Dr. Ng Lai Man, Carmen	Flat G, 28, Block 16 Yee Tsui Court South Horizons Ap Lei Chan Hong Kong
<i>Senior management</i>	
Mr. Cheung Ning	Units 2&3, 5/F Lemmi Centre 50 Hoi Yuen Road Kwun Tong Hong Kong
Mr. Chu Chun Wan	Unit A-B, 7/F, Yeung Yiu Chung (No.8) Industrial Building 20 Wang Hoi Road Kowloon Bay Hong Kong
Ms. Lee Wing Kwan, Angela	Units 2&3, 5/F Lemmi Centre 50 Hoi Yuen Road Kwun Tong Hong Kong
Mr. Pang Tak Hung	Units 2&3, 5/F Lemmi Centre 50 Hoi Yuen Road Kwun Tong Hong Kong
Mr. Su Leigang	1010 Avenue Xia Nan Industrial District Yuan Zhou Town Bo Luo County Hui Zhou City Guangdong Province People's Republic of China
Ms. Tan Lai Ming	Units 2&3, 5/F Lemmi Centre 50 Hoi Yuen Road Kwun Tong Hong Kong
<i>Authorised representative</i>	
Mr. Lau Chuk Kin	26/F, 625 King's Road North Point Hong Kong
Ms. Tan Lai Ming	Units 2&3, 5/F Lemmi Centre 50 Hoi Yuen Road Kwun Tong Hong Kong

**Biographies of Directors****Executive Directors****Mr. Yang Sze Chen, Peter**

Aged 74, was appointed as deputy chairman and an executive Director on 23 June 2011. Mr. Yang has been responsible for the overall management of the Group since he joined in February 2009. He graduated from the London School of Printing and Graphic Arts (currently known as the London College of Communication) in 1958. Mr. Yang has over 50 years of experience in the printing industry. He is the founder of a premier book printing company in Hong Kong.

**Mr. Lau Chuk Kin**

Aged 60, was appointed as an executive Director on 16 March 2011. Mr. Lau has been responsible for the overall strategic formulation of the Group since the Group commenced its printing business in 2005. Mr. Lau is an executive director of Cinderella Media Group Limited (stock code: 550) and was formerly the managing director of an executive search consultancy in Hong Kong. He also founded a main board listed printing company. Mr. Lau obtained a Bachelor of Arts degree from the United States and a Master of Business Administration degree from the Chinese University of Hong Kong. Mr. Lau is the compliance officer of the Group.

**Mr. Li Hoi, David**

Aged 55, was appointed as an executive Director on 1 February 2013. Mr. Li was appointed the managing director of Oceanic Graphic International Inc. (“OGI”), a subsidiary of the Group, in September 2011. Mr. Li is responsible for the overall management of OGI. He is the founder of a print management company in the United States. Mr. Li has over 30 years of experience in publishing and printing industries and has held different positions in several publishing and printing companies in the United Kingdom, United States and Hong Kong. Mr. Li received a diploma from the London College of Printing (currently known as the London College of Communication) and a diploma from the British Printing Industries Federation.

**Mr. Lam Wing Yip**

Aged 39, was appointed as an executive Director on 7 September 2012. Mr. Lam is the chief technology officer of the Group and joined Cinderella Media Group in 2006. He is responsible for the design and implementation of information technology strategies that align with the Group’s business goals. He has over 17 years of experience in the information technology field. Prior to joining Cinderella Media Group, he worked in several multinational corporations. Mr. Lam obtained a Bachelor of Science degree from the Chinese University of Hong Kong.

**Independent Non-executive Directors****Mr. Yeung Ka Sing, GBS, MBE, JP**

Aged 71, joined the Group and was appointed as an independent non-executive Director and the chairman of the Company on 23 June 2011. Mr. Yeung is currently a member of the supervisory board of the Hong Kong Housing Society. Mr. Yeung has served on several major government advisory committees and boards, including as chairman of the Community Investment and Inclusion Fund Committee, a member of the Council of the City University of Hong Kong and a member of the Council of the Hong Kong Management Association. He is also a member of the general committee of the Employers' Federation of Hong Kong. In January 2013, Mr. Yeung was appointed as a director of "Food for Good", a non-governmental organisation for promotion on reduction of food wastage. He was the head of corporate human resources of the Hong Kong and China Gas Company Limited (stock code: 0003) before his retirement in 2006.

**Prof. Lee Hau Leung**

Aged 60, joined the Group and was appointed as an independent non-executive Director of the Company on 23 June 2011. He is the Thoma Professor of Operations, Information and Technology at the Graduate School of Business at Stanford University. He is the founding and current director of the Stanford Global Supply Chain Management Forum, an industry academic consortium to advance the theory and practice of global supply chain management. He is also the director of the Stanford Institute for Innovations in Developing Economies. Prof. Lee was elected to the National Academy of Engineering in 2010, and is a fellow of the Manufacturing and Service Operations Management Society in 2001, a fellow of the Institute for Operations Research and the Management Sciences in 2005, and a fellow of the Production and Operations Management Society in 2005. Prof. Lee obtained his Bachelor of Social Science degree from the University of Hong Kong, his Master of Science degree in Operational Research from the London School of Economics and Political Science, University of London, and his Doctorate degree from the University of Pennsylvania. Prof. Lee is an independent external director of Pericom Semiconductor Corporation, a public company on NASDAQ in the U.S., an independent external director of Synnex Corporation, a public company on the NYSE in the U.S. and Esquel Group. He was an independent non-executive Director of Integrated Distribution Services Group Limited, which withdrew its listing on the Stock Exchange on 1 November 2010, for the period from November 2004 to November 2010.

**Mr. Tsui King Chung, David**

Aged 66, joined the Group and was appointed as an independent non-executive Director on 23 June 2011. Mr. Tsui started his career in information technology in 1970 and has held a number of key positions in various banks in Hong Kong. He was a director of Hong Leong Credit Berhad (now known as Hong Leong Financial Group Berhad), a listed company in Malaysia before his retirement in 2006.

**Dr. Ng Lai Man, Carmen**

Aged 48, was appointed as an independent non-executive Director on 23 June 2011. Dr. Ng has more than 20 years of experience in professional accounting and corporate finance in Hong Kong, the PRC, the United States and Europe. Dr. Ng is a practising certified public accountant in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Institute of Chartered Accountants in England and Wales. Dr. Ng received her Doctor of Business Administration degree from the Hong Kong Polytechnic University, Juris Doctor degree from the Chinese University of Hong Kong, Master of Laws degree in Corporate and Financial Law from the University of Hong Kong, Master of Business Administration degree from the Chinese University of Hong Kong, and Master of Professional Accounting degree from the Hong Kong Polytechnic University. Dr. Ng is currently an independent non-executive director of Cheong Ming Investments Limited (stock code: 1196), Goldin Properties Holdings Limited (stock code: 283) and eSun Holdings Limited (stock code: 571), all being companies listed on the Stock Exchange.

**SENIOR MANAGEMENT**

Mr. Cheung Ning, aged 48, is the production manager of the Group and joined the Group in 2005. He has over 25 years of experience in the printing industry.

Mr. Chu Chun Wan, aged 62, has been appointed as the managing director of Asia Pacific Offset Limited (“APOL”) since 1999. He has extensive experience in the printing industry in Hong Kong. Mr. Chu is responsible for the overall management of APOL which is a subsidiary acquired by the Group in December 2012.

Ms. Lee Wing Kwan, Angela, aged 43, is the vice president of sales of the Group. Ms. Lee has been responsible for the sales function of the Group since she joined the Group in January 2007. She has over 14 years of experience in handling the sales function of printing business. Ms. Lee obtained a Bachelor of Arts degree from the City Polytechnic of Hong Kong, now known as City University of Hong Kong and a Master of Financial Economics degree from the University of London.

Mr. Pang Tak Hung, aged 56, is the printing superintendent of the Group and joined the Group in 2005. Mr. Pang supervises and oversees the technical matters of the printing operation. Mr. Pang has over 35 years of experience in the printing industry.

Mr. Su Leigang, aged 36, is the deputy general manager of the production plant at Yuanzhou and joined Cinderella Media Group Limited in 2005. He obtained a Master’s degree in information system from the University of Southampton, United Kingdom and a bachelor’s degree in industrial automation (computer control) from China Textile University (currently known as Donghua University), Shanghai, the PRC. Mr. Su has over 10 years of experience in the information technology field. Prior to joining Cinderella Media Group Limited, he worked as IT manager for 5 years at a company listed on the Shanghai Stock Exchange. Mr. Su joined the Group from Cinderella Media Group Limited in 2007.

Ms. Tan Lai Ming, aged 35, is the company secretary and financial controller of the Company.

She joined Cinderella Media Group Limited in March 2008. Ms. Tan obtained a bachelor's degree in accountancy from the City University of Hong Kong and is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. She worked at Deloitte Touche Tohmatsu for over 7 years before joining Cinderella Media Group Limited. She joined the Group from Cinderella Media Group Limited in February 2011 and is responsible for the company secretarial and accounting functions of the Group.

## 8. EXPERT

The following is the name and the qualification of the expert who has given opinions or advice, which is contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
BDO	Certified Public Accountants

As at the Latest Practicable Date BDO has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report on the unaudited pro forma financial information of the Group dated 15 March 2013 and reference to its name in the form and context in which it appears. As at the Latest Practicable Date, BDO did not have any direct or indirect shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group. As at the Latest Practicable Date, BDO did not have any direct or indirect interest in any assets which have, since 31 December 2012 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

## 9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Recruit transferred 647,773,000 shares in 1010 Group Limited to the Company in consideration of the issue and allotment of 299,894,906 Shares and the crediting as fully paid the one nil-paid share;
- (b) an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Chen Huang Zhi transferred 122,727,000 shares in 1010 Group Limited to the Company in consideration of the issue and allotment of 56,818,055 Shares to him;
- (c) an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Cheung Ning transferred 19,750,000 shares in 1010 Group Limited to the Company in consideration of the issue and allotment of 9,143,519 Shares to him;

- (d) an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Pang Tak Hung transferred 19,750,000 shares in 1010 Group Limited to the Company in consideration of the issue and allotment of 9,143,519 Shares to him;
- (e) an instrument of transfer and bought and sold notes dated 19 April 2011 whereby 1010 Group Limited transferred 1 share in Mega Form Inc. Limited to Recruit at a consideration of HK\$1.00;
- (f) the share swap agreement dated 20 June 2011 entered into among Recruit, Chen Huang Zhi, Cheung Ning, Pang Tak Hung and the Company for the transfer of the entire share capital of 1010 Group Limited to the Company in consideration of and exchange for the issue and allotment of 299,894,906, 56,818,055, 9,143,519 and 9,143,519 Shares credited as fully paid respectively by the Company to Recruit, Chen Huang Zhi, Cheung Ning and Pang Tak Hung and the crediting as fully paid the one nil-paid Share held by Recruit;
- (g) the deed of reorganization dated 20 June 2011 entered into among Recruit, Chen Huang Zhi, Cheung Ning, Pang Tak Hung, 1010 Group Limited and the Company for the purpose of agreeing, acknowledging and adopting the corporate reorganisation which the Group underwent prior to the issue of the IPO prospectus of the Company on 30 June 2011;
- (h) the deed of non-competition undertaking dated 29 June 2011 entered into between the Company and CMGL;
- (i) the conditional public offer underwriting agreement dated 29 June 2011 relating to the offer of the 12,504,000 Shares for subscription by the public in Hong Kong and entered into by, among others, Investec Capital Asia Limited, Haitong International Securities Company Limited, Guosen Securities (HK) Capital Company Limited, Kingston Securities Limited, the Company, CMGL and Recruit;
- (j) the placing agreement dated 15 July 2011 relating to the placing of 99,964,164 Shares and entered into by, among others, Investec Capital Asia Limited, Haitong International Securities Company Limited, Guosen Securities (HK) Capital Company Limited, Kingston Securities Limited, the Company, CMGL and Recruit;
- (k) the deed of indemnity dated 30 June 2011 entered into by Recruit, Chen Huang Zhi, Cheung Ning and Pang Tak Hung in favour of the Company;
- (l) the share transfer agreement dated 12 December 2012 entered into between (i) David Leo Martin, Tifan Investments S.A., Derek Keith Freeman, Lam Seow Long, Chu Chun Wan, Chan Tze Hing, Ho Ping Nam, Wong Kwan Lap, Stephen and Andrew Warnock Clarke, as vendors and (ii) Investor Vantage Limited, as purchaser relating to the acquisition of the entire issued share capital of Asia Pacific Offset Limited by Investor Vantage Limited, a wholly owned subsidiary of the Company, for a consideration not exceeding HK\$160 million; and
- (m) the Underwriting Agreement.

## 10. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**11. EXPENSES**

The expenses in connection with the Rights Issue, the relevant professional fees incurred by the Company, are estimated to be approximately HK\$1.2 million and will be payable by the Company.

**12. BINDING EFFECT**

The Rights Issue Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Rights Issue Documents shall have the effect, if an application is made in pursuance thereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

**13. DOCUMENTS DELIVERED AND TO BE DELIVERED TO THE REGISTRARS OF COMPANIES**

A copy of each of the Rights Issue Documents, having attached thereto the written consent referred to in the paragraph headed “Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. A copy of each of the Rights Issue Documents will be filed with the Registrar of Companies in Bermuda in compliance with the Companies Act.

**14. MISCELLANEOUS**

This prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at 26/F, 625 King’s Road, North Point, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday other than Saturdays and public holidays from the date of this Prospectus up to and including Tuesday, 2 April 2013:

- a. the memorandum of association of the Company and the Bye-laws;
- b. the Company’s prospectus for initial public offer;
- c. the Company’s annual reports for the financial years ended 31 December 2011 and 2012;
- d. the accountants’ report on the unaudited pro forma financial information as set out in Appendix II to this prospectus;
- e. the material contracts referred to under the paragraph headed “Material contracts” in this appendix;
- f. the written consent referred to under the paragraph headed “Expert” in this appendix; and
- g. the circular of the Company dated 14 January 2013.