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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **1010 Printing Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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 BONUS ISSUE OF SHARES  
PROPOSED ADOPTION OF SHARE OPTION SCHEME  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND RE-ELECTION OF RETIRING DIRECTORS**

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A notice dated 19 March 2013 convening the annual general meeting of 1010 Printing Group Limited to be held at 26th Floor, 625 King's Road, North Point, Hong Kong, on Monday, 22 April 2013 at 10:00 a.m. is set out on pages 29 to 34 of this circular. Whether or not you intend to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting convened.

\* *For identification purposes only*

19 March 2013



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## DEFINITIONS

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

“Adoption Date”	22 April 2013, the date on which the Share Option Scheme is expected to be conditionally adopted by the Shareholders in general meeting
“AGM”	the annual general meeting of the Company to be held at 26th Floor, 625 King’s Road, North Point, Hong Kong on Monday, 22 April 2013 at 10:00 a.m.
“AGM Notice”	the notice dated 19 March 2013 convening the AGM as set out on pages 29 to 34 of this circular
“associate”	the same meaning ascribed thereto in the Listing Rules
“Board”	the Board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares to the Shareholders whose names appear on the register of members of the Company (other than Non-Qualifying Shareholders) at the close of business on the Record Date on the basis of one (1) Bonus Share for every ten (10) existing Shares held on the Record Date
“Bonus Shares”	new Shares proposed to be issued by way of Bonus Issue on terms set out in this circular
“Bye-laws”	the bye-laws of the Company
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Cinderella Media”	Cinderella Media Group Limited (stock code: 550), an intermediate holding company of the Company, a company continued in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Company”	1010 Printing Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“ER2”	ER2 Holdings Limited, a company incorporated in Hong Kong with limited liability and the ultimate holding company of the Company

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12 March 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“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 Bonus Shares 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
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong;
“Record Date”	Thursday, 2 May 2013, being the record date for determination of entitlement to the Bonus Issue
“Rights Issue”	the proposed issue by the Company of the Rights Shares on the basis of two Rights Shares for every five existing Shares
“Rights Shares”	200,000,000 new Shares to be issued pursuant to the Rights Issue, further details of which are set out in the Company announcements dated 22 February 2013 and 25 February 2013
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

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## DEFINITIONS

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“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the relevant period as set out in Ordinary Resolution No. 5 up to a maximum of 20% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 5
“Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Company, a summary of the principal terms of which is set out in the Appendix I of this circular
“Share Registrar”	Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares during the relevant period as set out in Ordinary Resolution No. 6 up to a maximum of 10% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 6
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertaking Shareholders	in respect of the Rights Issue, those Shareholders (being Recruit (BVI) Limited, City Apex Limited, ER2, Mr. Lau Chuk Kin and Mr. Chen Huang Zhi, who have provided undertakings to the Company that they will take up their pro-rata entitlement to the Rights Shares
“%”	per cent.

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## EXPECTED TIMETABLE

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*The expected timetable for the implementation of the proposed Bonus Issue and the associated trading arrangements are set out below:*

<b>Events</b>	<b>Date (2013)</b>
AGM date .....	10:00 a.m. on Monday, 22 April
Announcement of poll results of AGM .....	Monday, 22 April
Last day of dealings in the Shares on a cum-entitlement basis relating to the Bonus Issue .....	Tuesday, 23 April
First day of dealings in the Shares on an ex-entitlement basis relating to the Bonus Issue .....	Wednesday, 24 April
Latest time for the Shareholders to lodge the transfer documents to the Share Registrar for the qualification for entitlements to the Bonus Issue .....	4:30 p.m. on Thursday, 25 April
Closure of the register of members of the Company for determining the identity of the Shareholders for entitlements to the Bonus Issue .....	Friday, 26 April to Thursday, 2 May
Record date for determining the identity of the Shareholders for entitlements to the Bonus Issue .....	Thursday, 2 May
Despatch of share certificates under the Bonus Issue .....	on or about Wednesday, 8 May
Expected first day of dealings in the Bonus Shares under the Bonus Issue on the Stock Exchange .....	9:00 a.m. on Thursday, 9 May

Dates or deadlines specified in the expected timetable above are indicative only. If there are any consequential changes to the expected timetable, the Company will make a further announcement where necessary.

*Notes:*

1. All times and dates in this circular refer to Hong Kong local times and dates.
2. If there is (i) a tropical cyclone warning signal number 8 or above; or (ii) a “black” rainstorm warning signal in force between 9:00 a.m. and 4:00 p.m. on the above relevant dates, a further announcement will be made by the Company in respect of the relevant date may be adjourned to other business day which does not have either of those warnings in force in Hong Kong.

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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:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-Executive Directors:*

Yeung Ka Sing (Chairman)  
Lee Hau Leung  
Tsui King Chung, David  
Ng Lai Man, Carmen

*Principal place of business*

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

19 March 2013

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES  
PROPOSED ADOPTION OF SHARE OPTION SCHEME  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND RE-ELECTION OF RETIRING DIRECTORS**

#### 1. INTRODUCTION

The purpose of this circular is to provide Shareholders with details regarding (i) the proposed Bonus Issue; (ii) the proposed adoption of the Share Option Scheme; (iii) renewal of the general mandates to allot, issue and deal with Shares and to repurchase Shares; and (iv) the proposed re-election of retiring Directors to be dealt with at the AGM.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 2. BONUS ISSUE

#### **Basis of the Bonus Issue**

As announced by the Company on 22 February 2013 and 25 February 2013, the Directors resolved to recommend the Bonus Issue on the basis of one (1) Bonus Share for every ten (10) existing Shares held by Shareholders (except for Non-Qualifying Shareholders) whose names appear on the register of members of the Company on the Record Date.

The Bonus Shares will be credited as fully paid by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of a reserve account (including, but not limited to, the share premium account and contributed surplus account) of the Company.

#### **Effect of the Bonus Issue to the Shareholding**

On the basis of 500,000,000 Shares in issue as at the Latest Practicable Date and that a further 200,000,000 Shares will be issued pursuant to the Rights Issue, and assuming no further Shares will be issued or repurchased before the Record Date save for the above, 70,000,000 Bonus Shares will be issued pursuant to the Bonus Issue. Immediately after completion of the Bonus Issue, there will be a total of 770,000,000 Shares in the enlarged issued share capital of the Company.

In the event the Bonus Issue becomes unconditional but the Rights Issue did not proceed to completion, and assuming no further Shares will be issued or repurchased before the Record Date, it is anticipated that 50,000,000 Bonus Shares will be issued under the Bonus Issue. After the completion of the Bonus Issue and with the aforesaid assumptions, there will be 550,000,000 Shares in issue as enlarged only by the Bonus Issue.

#### **Status of the Bonus Shares**

The Bonus Shares will rank *pari passu* in all respects with the then existing Shares from their date of allotment and issue, including the entitlement to receive dividends and other distributions on the relevant record date on or after the date of allotment and issue of those Bonus Shares.

#### **Fractions of the Bonus Shares**

On the basis of one (1) Bonus Share for every ten (10) existing Shares held on the Record Date by the Qualifying Shareholders, it is not expected that there will be any fractional entitlements to Bonus Shares. In any event should there be fractional entitlements, such entitlements will be aggregated and sold for the benefit of the Company.



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## LETTER FROM THE BOARD

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### **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the AGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Bermuda and the Bye-laws to effect the Bonus Issue.

### **Reasons for the Bonus Issue**

In recognition of the continuous support of the Shareholders, the Board has recommended the Bonus Issue. In addition, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the shareholder and capital base.

### **Listing and dealing**

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. Subject to the grant of such permission, the Bonus Shares are to be listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

Subject to the granting of the approval for the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. Shareholders should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Subject to the conditions as set out in the paragraph headed “Conditions of the Bonus Issue” above, (i) the certificates for the Bonus Shares are expected to be issued and posted to the persons entitled thereto at their own risk on or about Wednesday, 8 May 2013; and (ii) dealings in the Bonus Shares are expected to commence on Thursday, 9 May 2013.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

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## LETTER FROM THE BOARD

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### Overseas Shareholders

As at the Latest Practicable Date, there was no Overseas Shareholder. Should there be any Overseas Shareholders whose addresses as registered in the register of members of the Company on the Record Date are outside Hong Kong, the Board will seek legal advice pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Bonus Shares to Overseas Shareholders. If, after seeking such legal advice, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Bonus Shares to Overseas Shareholders, the Bonus Issue will not be extended to Non-Qualifying Shareholders and no Bonus Shares will be allotted to them.

Arrangements will be made for the Bonus Shares which would otherwise have been allotted to Non-Qualifying Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence on the Stock Exchange, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, will be paid by the Company to the relevant Non-Qualifying Shareholder(s) pro rata to their shareholdings in the Company on the Record Date in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for the benefit of the Company.

### Closure of register of members

The register of members of the Company will be closed from Friday, 26 April 2013 to Thursday, 2 May 2013 (both days inclusive), during which no transfer of Shares will be registered, in order to determine the entitlement of the Shareholders under the Bonus Issue. Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 25 April 2013.

### 3. ADOPTION OF THE SHARE OPTION SCHEME

The Share Option Scheme shall take effect subject to:

- (i) the passing by the Shareholders in general meeting of an ordinary resolution to approve the adoption of the Share Option Scheme;
- (ii) the Listing Committee granting the listing of and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of any options under the Share Option Scheme; and
- (iii) the passing by the shareholders of Cinderella Media in general meeting of an ordinary resolution to approve the adoption of the Share Option Scheme.

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## LETTER FROM THE BOARD

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There is no trustee in respect of the Share Option Scheme.

A summary of the principal terms proposed for the Share Option Scheme is set out in Appendix I to this circular.

The purpose of the Share Option Scheme is to provide incentives to participants to contribute to the Company and to enable the Company to attract human resources that are valuable to the Group. The Company has no existing share option scheme as at the date of this circular.

Application has been made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options granted under the Share Option Scheme.

As at the Latest Practicable Date, no Shareholder has a material interest in the adoption of the Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

In accordance with the Listing Rules, the Directors are encouraged to disclose in this circular the value of the options that can be granted under the Share Option Scheme as if they had been granted pursuant to the Share Option Scheme on the Latest Practicable Date. The Board considers it inappropriate to state such value given that a number of variables which are necessary for the calculation of the value of such options cannot be ascertained at this stage. Such variables include the exercise price, exercise period, interest rate, expected stock price volatility and other relevant variables. The Board believes that any calculation of such value of any options on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful but would instead be misleading to Shareholders.

Your attention is drawn to Appendix I to this circular for further information regarding the principal terms of the Share Option Scheme.

#### **4. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the AGM, separate ordinary resolutions will be proposed to (a) renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares or options, warrants or similar rights to subscribe for any Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of such resolution (i.e. an aggregate nominal amount of the Shares not exceeding HK\$1,400,000 (equivalent to 140,000,000 Shares) on the basis of the issued share capital of the Company being 700,000,000 Shares (assuming completion of the Rights Issue prior to the date of the AGM) and such number of Shares to remain unchanged as at the date of the AGM); and (ii) to repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such resolution (i.e. an aggregate nominal amount of the Shares not exceeding HK\$700,000 (equivalent to 70,000,000 Shares) on the basis of the issued share capital of the Company being 700,000,000 Shares (assuming completion of the Rights Issue prior to the date of the AGM) and such number of Shares to remain unchanged as at the date of the AGM); and (b) add to the general mandate for the issue of Shares granted to the Directors any Shares representing the aggregate nominal amount of any Shares repurchased by the Company.

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## LETTER FROM THE BOARD

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Under the Listing Rules, the general unconditional mandates granted on 16 April 2012 will lapse at the conclusion of the coming AGM, unless renewed at the AGM. Ordinary Resolutions Nos. 5, 6 and 7 will be proposed at the AGM to renew these mandates. With reference to these resolutions, the Directors have no present intention to repurchase any Shares pursuant to the relevant mandates.

The Share Repurchase Mandate would continue in force until (a) the conclusion of the next annual general meeting of the Company or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held or (c) until the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

An explanatory statement to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolutions concerning the Share Repurchase Mandate is set out in Appendix II to this circular.

### **5. RE-ELECTION OF RETIRING DIRECTORS**

In accordance with No. 83(2) and No. 84 of the Bye-laws, Mr. Lau Chuk Kin, Mr. Li Hoi, David, Mr. Lam Wing Yip and Mr. Yeung Ka Sing will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix III to this circular.

### **6. RESPONSIBILITY STATEMENT**

This circular, 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 circular 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 herein or this circular misleading.

### **7. ANNUAL GENERAL MEETING**

Set out on pages 29 to 34 of this circular is the AGM Notice convening the AGM at which, inter alia, Ordinary Resolutions will be proposed to approve the Share Option Scheme, the Bonus Issue, the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of retiring Directors.

A form of proxy for the use at the AGM is enclosed with this circular. Whether or not you intend to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or adjourned meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM.

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## LETTER FROM THE BOARD

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### 8. LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Option Scheme will be available for inspection at 26/F, 625 King's Road, North Point, Hong Kong during normal business hours from 10 a.m. to 5 p.m. on any business day for a period of 14 days from the date of despatch of this circular and will also be available for inspection at the AGM.

### 10. RECOMMENDATION

The Board is of the opinion that the proposals referred to above are in the interests of the Company and its Shareholders and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
By Order of the Board  
**Lau Chuk Kin**  
*Director*

The following is a summary of the principal terms of the rules of the Share Option Scheme:

**(A) PURPOSE**

The purpose of the Share Option Scheme is to provide incentives to Participants to contribute to the Company and to enable the Company to attract human resources that are valuable to the Group.

**(B) WHO MAY JOIN**

The Board may grant (subject to acceptance by the Grantee in accordance with the terms of the Share Option Scheme) an option to subscribe for such number of Shares as it may determine at a price determined in accordance with paragraph (D) below to any individual being an employee, officer, agent, consultant or representative of any member of the Group (including any executive or non-executive director of any member of the Group) who, as the Board may determine in its absolute discretion, has made valuable contribution to the business of the Group based on his performance and/or years of service, or is regarded as valuable human resources of the Group based on his work experience, knowledge in the industry and other relevant factors (a “**Participant**”), subject to such conditions as the Board may think fit, provided that no grants shall be made except to such number of Participants and in such circumstances that the Company will not be required under applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof; and will not result in any breach by the Company or its directors of any applicable securities laws and regulations or in any filing or other requirements arising.

**(C) PAYMENT ON ACCEPTANCE OF OPTION**

HK\$1.00 is payable by the Participant who accepts the grant of an option in accordance with the terms of the Share Option Scheme (the “**Grantee**”) on acceptance of the grant of an option.

**(D) SUBSCRIPTION PRICE**

The subscription price for the Shares under the options to be granted under the Share Option Scheme will be a price determined by the Board and notified to a Participant at the time the grant of the options is made to (and subject to acceptance by) the Participant and will be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets on the date of the grant of the option, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and (c) the nominal value of the Shares, which shall be received by the Company within 28 days from the date of the grant of the option unless otherwise stated in the grant letter which is to be made by the Company to the Participant upon granting of the option.

**(E) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

The limit on the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of any member of the Group must not exceed 30% of the number of issued Shares from time to time. Options lapsed or cancelled in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of any member of the Group shall not be counted for the purpose of calculating the said 30% limit.

In addition, subject as provided below in this paragraph (E), the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option schemes of any member of the Group, must not represent more than 10% of the nominal amount of all the issued Shares as at the date of general meeting approving and adopting the Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the relevant share option scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may refresh the Scheme Mandate Limit (or further refresh a refreshed Scheme Mandate Limit) at any time, subject to prior Shareholders’ approval given at a general meeting of the Company in accordance with the relevant provisions of the Listing Rules, provided that the maximum number of Shares which may be issued under options to be granted under the Share Option Scheme (when aggregated with any Shares which may be issued under options to be granted under any other share option scheme(s) of any member of the Group) under the limit as refreshed must not exceed 10% of the number of issued Shares as at the date of the approval of the refreshed limit, excluding any Shares that are subject to options previously granted (subject to acceptance) under the Share Option Scheme or any other share option scheme(s) of any member of the Group (whether the options are outstanding, cancelled or lapsed or have been exercised). The Company may also seek separate approval from the Shareholders in general meeting and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company’s holding company) in accordance with the relevant provisions of the Listing Rules for granting options beyond the Scheme Mandate Limit (or refreshed Scheme Mandate Limit) to such Participants, in respect of such number of Shares and on such terms as may be specified in such approval.

The total number of Shares issued and which may be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted under the Share Option Scheme and any other share option schemes of any member of the Group in any 12-month period immediately preceding any proposed date of the grant (subject to acceptance) of options to each Participant must not exceed 1% of the number of Shares in issue as at the proposed grant date. Any further grant of options in excess of this limit is subject to prior Shareholders’ approval given at a general meeting of the Company and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company’s holding company) in accordance with the relevant provisions of the Listing Rules, with the relevant Participant and his associates (as defined in the Listing Rules) abstaining from voting.

A total of 70,000,000 Shares may be issued upon exercise of all options to be granted under the Share Option Scheme, assuming that the Rights Issue is completed and a total of 200,000,000 Rights Shares are issued.

**(F) EXERCISE OF OPTION**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each Grantee, which must not be more than 10 years from the date of the grant of the option.

The grant letter shall specify the terms on which an option is granted. Such terms may, at the discretion of the Board, include among other things, (i) the exercise price of the option; (ii) the minimum period for which an option must be held and/or minimum performance targets that must be reached before it can be exercised; and/or (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally. The Directors believe that the Share Option Scheme will provide the Board with flexibility in determining (amongst other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to Participants to contribute to the Company and to enable the Company to attract human resources that are valuable to the Group.

**(G) RIGHTS ARE PERSONAL TO GRANTEE**

An option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or purport to do any of the foregoing. Any breach of the foregoing shall entitle the Company to cancel any outstanding option, or any part thereof, in favour of such Grantee.

**(H) RIGHTS ON CEASING EMPLOYMENT OR OTHER ENGAGEMENT**

If the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group for any reason other than death, ill health, disability or insanity or the termination of his employment, office, agency, consultancy or representation or one or more grounds specified in the Share Option Scheme, then, if the option period has not at the date of cessation commenced, the option shall lapse; and if the option period has commenced, the Grantee may exercise the option up to his entitlement at the date of cessation (to the extent not already exercised) until whichever is the earlier of the date of expiry of the option period or the last day of the period of 1 month (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual day of employment, office, agency, consultancy or representation with the relevant member of the Group whether payment in lieu of notice is made or not (if applicable).

For the purposes of this paragraph (H), a Grantee shall not be regarded as ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group if he ceases to hold a position of employment, office, agency, consultancy or representation with a particular member of the Group but at the same time takes up a different position of employment, office, agency, consultancy or representation with another member of the Group.



**(I) RIGHTS ON DEATH, ILL HEALTH, DISABILITY OR INSANITY**

If the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group by reason of death, ill health, disability or insanity before exercising the option in full and none of certain events which would be a ground for termination of his employment, office, agency, consultancy or representation specified in the Share Option Scheme has occurred, the Grantee or his legal personal representative(s) shall be entitled after commencement of the option period until whichever is the earlier of the date of expiry of the option period or the last day of the period of 12 months from the date of cessation (or such longer period as the Board may determine) to exercise the option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such option.

**(J) RIGHTS ON TAKEOVER**

If a general offer to acquire Shares (whether by takeover offer, merger, privatization proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representatives) shall, even though the option period has not yet commenced, be entitled to exercise the option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the option period or the last day of the period of 14 days after the date on which the offer becomes or is declared unconditional, after which the option shall lapse.

**(K) RIGHTS ON WINDING UP**

If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or as soon as after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than five business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

**(L) EFFECTS OF ALTERATIONS TO CAPITAL**

Subject to the limits on the number of Shares available for subscription as described in paragraph (E) above, in the event of any capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), such corresponding adjustments (if any) will be made to the number of Shares subject to the Share Option Scheme, the number of Shares subject to outstanding options, the subscription price in relation to each outstanding option and/or the method of exercise of the options, provided that no adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value or which would give a Grantee a different proportion of the issued share capital of the Company to which he was previously entitled. In respect of any adjustment required by the foregoing provisions, other than any made on a capitalization issue, an independent financial adviser or the auditors for the time being of the Company must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso.

In any event, any such alterations will be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the Supplementary Guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to Share Option Schemes). No such alteration will be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**(M) LAPSE OF OPTIONS**

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the option period (subject to the provisions of the Share Option Scheme);
- (ii) the expiry of any of the other periods referred to in paragraphs (H), (I) or (J) above;
- (iii) subject to paragraph (K) above, the earliest of the close of business on the fifth business day prior to the general meeting referred to in paragraph (K) above or the date of commencement of the winding up of the Company;
- (iv) save as otherwise provided in paragraph (J) above, or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Act 1981 of Bermuda by any court of competent jurisdiction of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- (v) the date on which the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of the Group by reason of the termination of his employment, office, agency, consultancy or representation on certain grounds specified in the Share Option Scheme including, but not limited to, misconduct, bankruptcy, insolvency, having made any arrangement or composition with his creditors generally and conviction of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his employment, office, agency, consultancy or representation at common law or pursuant to applicable laws or under the Grantee's service contract, agreement or arrangement with the relevant member of the Group; and
- (vi) the date on which the Board exercises the Company's right to cancel the option because of a breach by the Grantee of the rules summarised in paragraph (G) above.

**(N) RANKING AND VOTING RIGHTS OF SHARES**

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Company's Bye-Laws and will rank *pari passu* with the fully paid Shares in issue on the date of allotment on exercise of the option and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date on which the Shares so allotted.

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised. A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof.

**(O) CANCELLATION OF OPTIONS**

The Board may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels any options granted but not exercised and grants new options to the same Grantee, the grant of such new options may only be made under the Share Option Scheme if there is available unissued options (excluding the cancelled options) within each of the 10% limits as referred to in paragraph (E) above.

**(P) ALTERATION TO THE SHARE OPTION SCHEME**

The terms of the Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Participants unless with the prior sanction of a resolution of the Shareholders in general meeting and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company's holding company).

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must first be approved by the Shareholders in general meeting and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company's holding company), except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

The amended terms of the Share Option Scheme or the options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must first be approved by the Shareholders in general meeting and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company's holding company).

**(Q) TERMINATION OF THE SHARE OPTION SCHEME**

The Company by resolution passed at a general meeting of its Shareholders and the shareholders of Cinderella Media in general meeting or at a meeting of the Board and a meeting of the board of directors of Cinderella Media may at any time terminate the operation of the Share Option Scheme and in such event no further options will be granted or accepted but the provisions of the Share Option Scheme shall remain in force in all other respects. All options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

**(R) PERIOD OF THE SHARE OPTION SCHEME**

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of ten years commencing from the Adoption Date, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the ten-years period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

**(S) CONDITIONS**

The Share Option Scheme is conditional upon it being approved by the Shareholders in general meeting of the Company and the shareholders of Cinderella Media in general meeting of Cinderella Media, and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued pursuant to the exercise of options under the Share Option Scheme, and the commencement of the listing of the Shares on the Stock Exchange.

**(T) RESTRICTIONS ON THE TIMING OF GRANT OF OPTION**

A grant of options may not be made after inside information has come to the Company's knowledge until it has announced the information. In particular, no option may be granted within the period commencing one month immediately preceding the earlier of: (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) publish its interim or annual results announcement for any financial period, and ending on the date of the results announcement.

**(U) GRANT OF OPTIONS TO CONNECTED PERSONS**

Where any grant of options is proposed to be made to a Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, such grant must first be approved by all the independent non-executive directors of the Company excluding any independent non-executive director who is the proposed Grantee of the options and all the independent non-executive directors of Cinderella Media so long as Cinderella Media is the Company's holding company (excluding any independent non-executive director of Cinderella Media who is the proposed Grantee of the options) .

If the grant of options is to be made to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of: all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other scheme(s) of any member of the Group in the 12-month period up to and including the proposed date of the grant of the options: (i) representing in aggregate over 0.1% of the number of Shares then in issue; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on each relevant date of the grant (subject to acceptance) of the options, in excess of \$5 million, then such grant of options must first be approved by the Shareholders in general meeting and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company's holding company), with all the connected persons of the Company abstaining from voting in favour of the proposed grant. Any vote taken at the meeting to approve the proposed grant of such options must be taken on a poll. In addition, any proposed change in the terms of options granted to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, must first be approved by the Shareholders in general meeting and the shareholders of Cinderella Media in general meeting (so long as Cinderella Media is the Company's holding company) on a similar basis (as to abstention and voting by poll) as stated above.

This explanatory statement relates to the ordinary resolutions proposed to be passed at the AGM for the grant of a general mandate to the Board to repurchase Shares of the Company through Stock Exchange. It contains all the information required by the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against such ordinary resolutions.

## **1. REGULATIONS OF THE LISTING RULES**

### **(a) Source of funds**

Repurchases must be funded out of funds legally available for the purpose in accordance with the memorandum of association of the Company, the Bye-laws and the Companies Act 1981 of Bermuda. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the rules of the Stock Exchange from time to time.

### **(b) Connected parties**

Under the Listing Rules, a company shall not knowingly repurchase shares from a connected person (as defined under the Listing Rules) and a connected person shall not knowingly sell his shares to the company. As at the Latest Practicable Date and to the best of the knowledge of the Directors who have made all reasonable enquiries, none of the Directors or their associates had a present intention to sell Shares to the Company.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 500,000,000 Shares of HK\$0.01 each.

If Ordinary Resolution no. 6 is passed at the AGM, and assuming that no Shares are issued or repurchased by the Company prior to the date of the AGM other than the 200,000,000 Rights Shares, up to 70,000,000 Shares, representing 10% of the issued share capital of the Company may be repurchased by the Company.

## **3. REASONS FOR REPURCHASES**

The Board believes that it is in the interests of the Company and its Shareholders for the Board to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market at any appropriate time. Such repurchase may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

**4. GENERAL**

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2012 annual report of the Company) in the event that the Share Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent that there would be a material adverse effect on the working capital or the gearing position of the Company and its subsidiaries which in the opinion of the Directors are appropriate from time to time.

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, it will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Bye-laws and the applicable laws of Bermuda.

**6. EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchase of Shares if the Share Repurchase Mandate is exercised in full.

As at the Latest Practicable Date, the substantial Shareholders of the Company, assuming that the Share Repurchase Mandate is exercised in full in accordance with the scenarios below are as follows:

**Scenario 1**

Upon (i) completion of the Rights Issue and the issue of 200,000,000 Rights Shares; (ii) assuming all Shareholders have subscribed for their entitlement under the Rights Issue; and (iii) the issue of 70,000,000 Bonus Shares

Name of Substantial Shareholders	As at the Latest Practicable Date		Upon completion of the Rights Issue assuming all Shareholders have subscribed for their entitlements under the Rights Issue and the issue of 70,000,000 Bonus Shares		If the Share Repurchase Mandate is exercised in full
	<i>Number of Shares interested</i>	<i>Approximate %</i>	<i>Number of Shares interested</i>	<i>Approximate %</i>	<i>Approximate %</i>
Mr. Lau Chuk Kin ( <i>Note</i> )	307,269,028	61.45	473,194,298	61.45	67.60
ER2 ( <i>Note</i> )	307,157,400	61.43	473,022,392	61.43	67.57
City Apex Limited ( <i>Note</i> )	306,894,431	61.38	472,617,421	61.38	67.52
Cinderella Media ( <i>Note</i> )	299,894,907	59.98	461,838,155	59.98	65.98
Recruit (BVI) Limited ( <i>Note</i> )	299,894,907	59.98	461,838,155	59.98	65.98
Mr. Chen Huang Zhi	56,818,055	11.36	87,499,804	11.36	12.50



**Scenario 2**

Upon (i) completion of the Rights Issue and the issue of 200,000,000 Rights Shares; (ii) assuming no Shareholders have subscribed for their entitlement under the Rights Issue, other than the Rights Shares undertaken by the Undertaking Shareholders; and (iii) the issue of 70,000,000 Bonus Shares

Name of Substantial Shareholders	As at the Latest Practicable Date		Upon completion of the Rights Issue assuming no Shareholders have subscribed for their entitlements under the Rights Issue, other than the Rights Shares undertaken by the Undertaking Shareholders and the issue of 70,000,000 Bonus Shares		If the Share Repurchase Mandate is exercised in full Approximate %
	Number of Shares interested	Approximate %	Number of Shares interested	Approximate %	
Mr. Lau Chuk Kin ( <i>Note</i> )	307,269,028	61.45	532,995,984	69.22	76.14
ER2 ( <i>Note</i> )	307,157,400	61.43	532,824,078	69.20	76.12
City Apex Limited ( <i>Note</i> )	306,894,431	61.38	532,419,107	69.15	76.06
Cinderella Media ( <i>Note</i> )	299,894,907	59.98	521,639,841	67.75	74.52
Recruit (BVI) Limited ( <i>Note</i> )	299,894,907	59.98	521,639,841	67.75	74.52
Mr. Chen Huang Zhi	56,818,055	11.36	87,499,804	11.36	12.50

**Scenario 3**

Assuming (i) the Rights Issue did not complete; and (ii) the issue of 50,000,000 Bonus Shares

Name of Substantial Shareholders	As at the Latest Practicable Date		Upon completion of the Bonus Issue assuming the Rights Issue did not complete and the issue of 50,000,000 Bonus Shares		If the Share Repurchase Mandate is exercised in full Approximate %
	Number of Shares interested	Approximate %	Number of Shares interested	Approximate %	
Mr. Lau Chuk Kin ( <i>Note</i> )	307,269,028	61.45	337,995,928	61.45	67.60
ER2 ( <i>Note</i> )	307,157,400	61.43	337,873,138	61.43	67.57
City Apex Limited ( <i>Note</i> )	306,894,431	61.38	337,583,873	61.38	67.52
Cinderella Media ( <i>Note</i> )	299,894,907	59.98	329,884,397	59.98	65.98
Recruit (BVI) Limited ( <i>Note</i> )	299,894,907	59.98	329,884,397	59.98	65.98
Mr. Chen Huang Zhi	56,818,055	11.36	62,499,860	11.36	12.50

*Notes:*

Of the 307,269,028 Shares held by Mr. Lau Chuk Kin, 111,628 Shares are directly held by him and 299,894,907 Shares, 6,999,524 Shares and 262,969 Shares are held by Recruit (BVI) Limited, a wholly owned subsidiary of Cinderella Media, City Apex Limited and ER2 respectively. As at the Latest Practicable Date, Cinderella Media was owned as to 54.10% by City Apex Limited and as to 1.72% by ER2. ER2 was the ultimate holding company of City Apex Limited. Mr. Lau Chuk Kin owned 67% of the issued share capital of ER2 and accordingly, he is deemed to be interested in the said shares pursuant to Part XV of the Securities and Futures Ordinance.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the AGM, the shareholding of the substantial Shareholders in the Company would be increased to approximately the percentages as set out opposite their respective names in the tables above. Such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeovers Code.

The exercise in full of the Repurchase Mandate could result in the Shares being held by the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. The Directors do not intend to exercise the Share Repurchase Mandate to such an extent that the public shareholding will be less than such minimum percentage.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

No purchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

**8. CONNECTED PERSONS**

As at the Latest Practicable Date, none of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their respective associates, had any present intention to sell any of the Shares to the Company or its subsidiaries if the Share Repurchase Mandate is approved at the AGM and is exercised.

As at the Latest Practicable Date, no connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is approved at the AGM and is exercised.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the last twelve months were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2012</b>		
March	0.543A	0.496A
April	0.536A	0.489A
May	0.500A	0.471A
June	0.500A	0.486A
July	0.479A	0.443A
August	0.479A	0.436A
September	0.450A	0.436A
October	0.479A	0.446A
November	0.536A	0.479A
December	0.686A	0.493A
<b>2013</b>		
January	0.750A	0.643A
February	0.757A	0.671A
March (up to and including the Latest Practicable Date)	0.800	0.720

A: adjusted (Source: [www.hkex.com.hk](http://www.hkex.com.hk))

*The details of the retiring directors proposed to be re-elected at the AGM are set out as follows:*

**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 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. Save as disclosed above, Mr. Lau does not hold and has not held any directorships in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Lau is a director of ER2, City Apex Limited, Cinderella Media and Recruit (BVI) Limited, substantial shareholders of the Company. Mr. Lau is interested in 67% of the issued share capital of ER2. Mr. Lau is interested in 307,269,028 shares of the Company within the meaning of Part XV of the SFO through its controlled corporations Recruit (BVI) Limited, a wholly owned subsidiary of Cinderella Media, City Apex Limited and ER2 respectively. Save as aforesaid, Mr. Lau does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Lau has entered into a service contract with the Company for a period of three years started from 25 July 2011, the listing date of the Company subject to retirement by rotation and re-election in accordance with the Bye-laws. Pursuant to the service contract, total director's emolument of HK\$900,000 was paid to Mr. Lau for the year ended 31 December 2012. The director's emolument is to be determined and subject to the review by the remuneration committee of the Company with reference to his contribution in terms of time, effort and his expertise on an annual basis.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the shareholders' attention in connection with the re-election of Mr. Lau as a Director.

**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 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 information technology field. Prior to joining Cinderella Media, he worked in several multinational corporations. Mr. Lam obtained a Bachelor of Science degree from the Chinese University of Hong Kong. Mr. Lam does not hold and has not held any directorships in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Lam is interested in 12,000 shares of the Company and share options granted by Cinderella Media to subscribe for 450,000 shares of Cinderella Media at exercise prices of HK\$1.636 per share respectively within the meaning of Part XV of the SFO. Save as aforesaid, Mr. Lam does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. There is no director's service contract entered into between the Company and Mr. Lam. However, Mr. Lam is subject to retirement by rotation and re-election in accordance with the Bye-laws. Total emolument of HK\$988,000 was paid to Mr. Lam for the year ended 31 December 2012. The director's emolument is to be determined and subject to the review by the remuneration committee of the Company with reference to his contribution in terms of time, effort and his expertise on an annual basis.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the shareholders' attention in connection with the re-election of Mr. Lam as a Director.

**Mr. Li Hoi, David**, aged 55, was appointed as an executive Director on 1 February 2013. Mr. Li was appointed as the Managing Director of Oceanic Graphic International Inc. ("OGI"), a subsidiary of the Group, in September 2011 and is responsible for the overall management of OGI. He is the founder of a printing 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, the 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. Li does not hold and has not held any directorships in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Li is interested in 4,000,000 shares of the Company. Mr. Li also holds 400 shares in Express Ocean Investment Limited, a subsidiary of the Company, representing 20% of the entire issued share capital thereof and the Group from time to time has transactions with such non-wholly owned subsidiary involving an insignificant amount. Save as aforesaid, Mr. Li does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. There is no director's service contract entered into between the Company and Mr. Li. However, Mr. Li is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Li will receive director's emoluments which comprise an annual salary package of approximately HK\$1,005,000 and be entitled to a discretionary bonus by reference to his performance with the Company. The director's emolument is to be determined and subject to the review by the remuneration committee of the Company with reference to his contribution in terms of time, effort and his expertise on an annual basis.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the shareholders' attention in connection with the re-election of Mr. Li as a Director.

**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 the 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 of 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. Mr. Yeung does not hold and has not held any directorships in other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Yeung did not have any interests in the shares of the Company within the meaning of Part XV of the SFO nor did he have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Yeung has entered into a service contract with the Company for a period of three years started from 25 July 2011, the listing date of the Company subject to retirement by rotation and re-election in accordance with the Bye-laws. Pursuant to the service contract, a director's fee of HK\$180,000 was paid for his services for the year ended 31 December 2012. The director's fee was determined and approved by the Board with reference to his contribution in terms of time, effort and his expertise and will be reviewed on an annual basis.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the shareholders' attention in connection with the re-election of Mr. Yeung as a Director.

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## NOTICE OF ANNUAL GENERAL MEETING

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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

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of the members of 1010 Printing Group Limited (the “Company”) will be held at 26th Floor, 625 King’s Road, North Point, Hong Kong on Monday, 22 April 2013 at 10:00 a.m. for the following purposes:–

#### ORDINARY RESOLUTIONS

##### Ordinary Business

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 December 2012;
2. (A) (i) To re-elect Mr. Lau Chuk Kin as executive director;  
(ii) To re-elect Mr. Li Hoi, David as executive director;  
(iii) To re-elect Mr. Lam Wing Yip as executive director;  
(iv) To re-elect Mr. Yeung Ka Sing as independent non-executive director; and  
(B) To authorise the Board of Directors to fix their remuneration for the year ending 31 December 2013;
3. To re-appoint BDO Limited as the Company’s auditor and authorise the directors to fix their remuneration;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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### Special Business

4. As special business, to consider and, if thought fit, pass the following resolution, with or without amendments, as an ordinary resolution:–

“**THAT** conditional upon the approval of the shareholders of Cinderella Media Group Limited and the Listing Committee of the Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the shares of the Company to be issued and allotted pursuant to the exercise of options granted under the share option scheme of the Company, the rules of the proposed share option scheme of the Company (a copy of which has been produced to this Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification) be and are hereby approved and adopted and the directors of the Company be and are hereby authorised to grant options thereunder and to allot and issue shares of the Company pursuant to the exercise of the options and to execute such documents and do all such acts as they may in their absolute discretion consider necessary or expedient for the foregoing purpose.”

5. As special business, to consider and, if thought fit, pass the following resolution, with or without amendments, as an ordinary resolution:–

“**THAT:**–

- (A) subject to paragraph (C) below, pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with unissued shares (the “Shares”) in the capital of the Company or securities convertible into Shares and to make or grant offers, agreement and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this resolution, and the said approval shall be limited accordingly; and



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## NOTICE OF ANNUAL GENERAL MEETING

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(D) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. As special business, to consider and, if thought fit, pass the following resolution, with or without amendments, as an ordinary resolution:–

“**THAT:**–

- (A) subject to paragraph (B) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase Shares in the capital of the Company on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (A) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority granted pursuant to paragraph (A) of this resolution shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
7. As special business, to consider and, if thought fit, pass the following resolution, with or without amendments, as an ordinary resolution:–
- “**THAT** conditional upon the resolutions set out in items 5 and 6 in the notice convening this meeting being duly passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot and issue Shares pursuant to the resolution set out in item 5 in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company under the authority granted pursuant to the resolution set out in item 6 in the notice convening this meeting, provided that such an amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”
8. As special business, to consider and, if thought fit, pass the following resolution, with or without amendments, as an ordinary resolution:–
- “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution):
- (a) (i) where fully paid rights shares are issued pursuant to the terms of the rights issue (“Rights Issue”, details of which are set out in the Company’s prospectus dated 15 March 2013) on or before the Record Date (as defined below in this resolution), an amount of not more than HK\$700,000 standing to the credit of a reserve account of the Company (including, but not limited to, the share premium account and the contributed surplus account), be capitalised and the Directors be and are hereby authorised to apply such amounts in paying up in full at par not more than 70,000,000 new shares of HK\$0.01 each in the capital of the Company,

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) where the fully paid rights shares are not issued pursuant to the terms of the Rights Issue on or before the Record Date (as defined below in this resolution), an amount of not more than HK\$500,000 standing to the credit of a reserve account of the Company (including, but not limited to, the share premium account and the contributed surplus account), be capitalised and the Directors be and are hereby authorised to apply such amounts in paying up in full at par not more than 50,000,000 new shares of HK\$0.01 each in the capital of the Company,

such new shares to be allotted, issued and distributed, credited as fully paid (the "Bonus Shares"), to the members of the Company whose names appear on the principal or branch register of members of the Company in Bermuda or Hong Kong respectively (collectively referred to as the "Register of Members") as at the close of business on 2 May 2013 (the "Record Date"), other than to those members whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong and we have assumed that no further Shares or securities convertible or exchangeable into Shares will have been issued. The Directors after making enquiries, consider it to be necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend (the "Overseas Shareholders"), on the basis of one (1) Bonus Share for every ten (10) existing shares of HK\$0.01 each in the capital of the Company then held by them respectively;

- (b) arrangements shall be made for the Bonus Shares which would otherwise have been issued to Overseas Shareholders to be sold in the market as soon as possible after dealings in the Bonus Shares commence, if a premium (net of expenses) can be obtained and the net proceeds of such sales, after deduction of expenses, shall be distributed in Hong Kong dollar to Overseas Shareholders on a pro rata basis and be sent to them, at their own risk, as soon as possible unless individual amount falling to be distributed to any Overseas Shareholder is less than HK\$100, in which case such amount shall be retained for the benefit of the Company;
- (c) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum of association and bye-laws of the Company, rank pari passu in all respects with the existing issued shares of HK\$0.01 each in the capital of the Company, except that they will not be eligible for the bonus issue of shares mentioned in this resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the allotment, issue and distribution of the Bonus Shares, including but not limited to determining the amounts to be capitalised out of a reserve account of the Company (including, but not limited to, the share premium account and the contributed surplus account) and the number of unissued shares to be allotted, issued and distributed as Bonus Shares in the manner referred to in paragraph (a) of this resolution and making any arrangement for the sale of the Bonus Shares as referred to in paragraph (b) of this resolution.”

9. To transact any other business of the Company.

By Order of the Board  
**Lau Chuk Kin**  
*Director*

Hong Kong, 19 March 2013

*Principal Office:*

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

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

*Notes:*

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of 2 or more shares in the Company may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a member of the Company.
2. The form of proxy and the power of attorney or other authority under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the above meeting or its adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting convened.
3. As at the date of this notice, the Board comprises Yang Sze Chen, Peter, Lau Chuk Kin, Li Hoi, David and Lam Wing Yip as executive directors, Yeung Ka Sing, Lee Hau Leung, Tsui King Chung, David and Ng Lai Man, Carmen as independent non-executive directors.