

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement*



**1010 PRINTING GROUP LIMITED**

**匯星印刷集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1127)

**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF COS**

The Board is pleased to announce that on 29 March 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Company entered into the Share Transfer Agreement with the Vendor, OPUS and COS, all being indirect subsidiaries of the Company, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at AU\$11.3 million (equivalent to approximately HK\$66.1 million). The Sale Shares represent the entire issued share capital of COS. Upon Completion, COS will no longer be a subsidiary of OPUS but will be wholly owned by the Company.

As at the date of this announcement, the Company is indirectly interested in approximately 61.88% of the entire issued share capital of the Vendor, OPUS and COS.

As the relevant applicable percentage ratios in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**THE TRANSFER**

The Board is pleased to announce that on 29 March 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Company entered into the Share Transfer Agreement with the Vendor, OPUS and COS, all being indirect subsidiaries of the Company, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at AU\$11.3 million (equivalent to approximately HK\$66.1 million). The Sale Shares represent the entire issued share capital of COS. Upon Completion, COS will no longer be a subsidiary of OPUS but will be wholly owned by the Company.

## SHARE TRANSFER AGREEMENT

- Date:** 29 March 2016 (after trading hours)
- Parties:**
1. the Purchaser, an indirect wholly-owned subsidiary of the Company;
  2. the Vendor, an indirect subsidiary of the Company;
  3. COS, an indirect subsidiary of the Company;
  4. the Company, as guarantor; and
  5. OPUS, as warrantor, an indirect subsidiary of the Company.
- Assets to be Acquired:** Sale Shares, representing the entire issued share capital of COS. As at the date of this announcement, the Vendor holds 100% of the entire issued share capital of COS. Upon Completion, COS will no longer be a subsidiary of OPUS and the Company will, through its wholly-owned subsidiary (i.e. the Purchaser) wholly own the entire issued share capital of COS.
- COS is a company incorporated in Singapore with limited liability and issued capital of SG\$6,000,000. COS is an indirect wholly-owned subsidiary of OPUS. As the Company is indirect interested in 61.88% of the issued share capital of OPUS, COS is also a subsidiary of the Company. COS is currently engaged in printing of books, magazines, newspapers and periodical. COS utilises Singapore's infrastructure and geographical location as a point of distribution to regions such as Europe, USA, Australasia and South East Asia. Key clients of COS are global publishing houses.
- Consideration:** The Consideration shall be AU\$11.3 million (equivalent to approximately HK\$66.1 million) payable on Completion.
- The Consideration was determined after taking into account the guaranteed net tangible assets value of COS as at Completion Date of SG\$6.8 million (equivalent to approximately HK\$38.4 million).
- The Consideration is funded by the internal resources of the Company.
- Additional Consideration:** AU\$8 million (equivalent to approximately HK\$46.8 million) to be paid subsequent to completion, subject to and conditional upon the Company's shareholding in COS reducing below 50% at any time within 3 years after Completion Date
- Guaranteed net asset value:** the Vendor and OPUS guarantee that COS's net tangible asset value as at Completion will not be less than SG\$6.8 million (equivalent to approximately HK\$38.4 million).

**Guarantee:** The Company, as guarantor of the Purchaser, guarantee to pay all the payments payable by the Purchaser under the Share Transfer Agreement as a primary obligor.

**Warrantor:** OPUS, as warrantor of the Vendor, warrant the performance of the Vendor

**Conditions Precedent:** The Completion is subject to the following conditions being fulfilled on or before 30 September 2016:

(a) Hong Kong Listing Rules Compliance

The Company has published this announcement on its website and the website operated by the Stock Exchange of Hong Kong Limited in compliance with the requirements under the HK Listing Rules and any other applicable HK Listing Rules requirements;

(b) ASX Listing Rules Compliance

OPUS has complied all applicable ASX Listing Rules requirements;

(c) OPUS Independent Shareholders' Approval

The passing of the resolutions by the independent shareholders (shareholders not associated with the Company) of OPUS at a duly convened general meeting approving the Acquisition pursuant to the requirement of the ASX Listing Rules and all other relevant rules and regulations.

(d) Change of Control on Completion

The occurrence of the following events:

- (i) a resolution of the board of directors of COS is passed approving the registration of the transfer of the Sale Shares to the Purchaser or their nominee(s) upon due presentation
- (ii) if required by the Purchaser, cause the existing director(s) and officer(s) of COS to resign; and
- (iii) COS has revoked or varied the existing authorities in respect of the operation of its bank accounts and replace or supplement them with such mandate(s) as provided by the Purchaser.

In the event of any of the conditions precedent not being fulfilled by the Vendor or waived by the Purchaser prior to 30 September 2016 and provided there is no default or breach on the part of the Purchaser, then at the option of the Purchaser exercisable by notice in writing from the Purchaser to the Vendor, to elect either:-

- (A) that the Share Transfer Agreement shall be rescinded; or
- (B) Completion be proceeded with (without prejudice to the Purchaser's rights under the Share Transfer Agreement).

**Completion:** Completion shall take place on the Completion Date

### **INFORMATION ON COS**

COS is a company incorporated in Singapore with limited liability and issued capital of SG\$6,000,000. COS is an indirect wholly-owned subsidiary of OPUS. As the Company is indirect interested in 61.88% of the issued share capital of OPUS, COS is also a subsidiary of the Company. COS is currently engaged in printing of books, magazines, newspapers and periodical. COS utilises Singapore's infrastructure and geographical location as a point of distribution to regions such as Europe, USA, Australasia and South East Asia. Key clients of COS are global publishing houses.

The audited net profits/losses of COS before and after taxation for each of the three financial years/period immediately preceding the Acquisition are as follows:

	Audited Profit/ (Loss) of COS	
	Before taxation (SG\$'000)	After Taxation (SG\$'000)
For the year ended 30 June 2014	4,124	3,832
For the six months ended 31 December 2014	(930)	(791)
For the year ended 31 December 2015	2,247	1,947

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

Due to geographical differences and little overlap in customers between COS and the rest of the OPUS Group, COS has been operating as a stand-alone printing business within OPUS Group. The Acquisition will allow management of OPUS to be relieved of the distraction of directing its efforts to an offshore undertaking and be able to better its focus on OPUS Group's printing business in Australia and New Zealand.

On the other hand, COS's printing facility is close to the Group's (other than OPUS Group) production facility located in the PRC. Upon Completion, the Company's interest in COS will increase from 61.88% to 100%. The Company can reorganise the distribution of resources to the production facilities in Singapore and the PRC and further strengthen its production base in Asia and competitiveness. Content sensitive titles published by the Group's customers which are currently not printed by the Group in China can be printed by COS. Singapore is the regional distribution center for a number of the Group's book publishers. By diverting orders currently printed in China to be printed by COS in Singapore, the Group can offer these customers quicker turnaround schedule and more competitive transportation costs.

The Acquisition will enable the Group, which includes OPUS Group, to improve its management and operation efficiency. In view of the above, the Directors considered that the terms and conditions of the Share Transfer Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the shareholders as a whole.

### **LISTING RULES IMPLICATION**

As the relevant applicable percentage ratios in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **GENERAL**

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

OPUS is a subsidiary of the Company. OPUS is an Asia-Pacific, technology based printing group, servicing two operational platforms – publishing services and outdoor media. OPUS employs a dynamic technology platform that allows it to produce and distribute published content to suit the timing and scale requirements of a range of increasing global customers.

### **DEFINITIONS**

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

"Acquisition"	the Acquisition of the Sale Shares from the Vendor pursuant to the Share Transfer Agreement
"ASX Listing Rules"	the Rules Governing the Listing of Securities on the Australian Securities Exchange
"AU\$"	Australian dollar, the lawful currency of Australia

"Board"	the board of Directors of the Company
"Company"	1010 Printing Group Limited, a company incorporated in the Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code : 1127)
"Completion"	completion of the sale and purchase of the Sale Shares under the Share Transfer Agreement
"Completion Date"	the second Business Days after the fulfilment of all conditions precedent under the Share Transfer Agreement or such other date as the Parties may agree in writing
"Consideration"	the amount of consideration for the Transfer
"COS"	C.O.S. Printers Pte Ltd, a company incorporated in Singapore with limited liability, a wholly owned subsidiary of OPUS and subsidiary of the Company
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"OPUS"	OPUS Group Limited, a company incorporated in Australia with limited liability, whose shares are listed on the of the Australian Securities Exchange (stock code : OPG) and a subsidiary of the Company
"OPUS Group"	OPUS and its subsidiaries
"Parties"	parties to the Share Transfer Agreement, i.e. the Company, the Purchaser, the Vendor, OPUS and COS and their respective successors and permitted assigns and "Party" shall mean any of them
"PRC"	People's Republic of China
"Purchaser"	Notable Global Investments Limited, a company incorporated in the British Virgin Islands with limited

	liability and an indirect wholly owned subsidiary of the Company
"Sale Shares"	6,000,000 shares fully paid in the share capital of COS, representing its entire issued share capital
"SG\$"	Singapore dollar, the lawful currency of Singapore
"Share Transfer Agreement"	the share transfer agreement entered into between among the Company, the Purchaser, the Vendor, OPUS and COS on 29 March 2016 in respect of the Acquisition
"Vendor"	OPUS Group NZ Holdings Limited, a company incorporated in New Zealand with limited liability, a wholly owned subsidiary of OPUS and a subsidiary of the Company
"%"	per cent.

By order of the Board  
**1010 Printing Group Limited**  
Lau Chuk Kin  
Executive Director

Hong Kong, 29 March 2016

*For the purpose of illustration only and unless otherwise stated, conversion of AU\$ and SG\$ to HK\$ in this announcement are based on the exchange rate of AUS\$1.00 to HK\$5.85 and SG\$1.00 to HK\$5.65 respectively. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.*

*As at the date of this announcement, the Board comprises Mr. Lau Chuk Kin, Mr. Li Hoi David, Mr. Lam Wing Yip, Ms. Lam Mei Lan and Mr. Chu Chun Wan as executive directors; Mr. Yeung Ka Sing, Prof. Lee Hau Leung, Mr. Tsui King Chung, David and Dr. Ng Lai Man, Carmen as independent non-executive directors.*

\* For identification purpose only