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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)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

PROPOSED ON-MARKET BUYBACK OF OPUS SHARES

The Board is pleased to announce that on 7 November 2016, OPUS, an indirect subsidiary of the Company, proposed to implement an on-market OPUS Share Buyback of up to 20 million OPUS Shares.

As at the date of this announcement, the Company is indirectly interested in 61.9% of the entire issued share capital of OPUS. The OPUS Share Buyback, if it proceeds, will constitute a transaction of the Company under Chapter 14 of the HK Listing Rules. As the relevant applicable percentage ratios in respect of the proposed OPUS Share Buyback exceed 5% but are less than 25%, the OPUS Share Buyback, if it proceeds, will constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the HK Listing Rules.

Mr. Celarc, an executive director of OPUS, and his associated entities intend to sell 9,416,239 OPUS Shares, the Celarc Sale Shares, at AU\$0.48 per OPUS Share under the OPUS Share Buyback. Mr. Celarc is a connected person of the Company. The acquisition of Celarc Sale Shares by OPUS from Mr. Celarc and his associated entities constitute a connected transaction of the Company under Chapter 14A of the HK Listing Rules. As each of the applicable percentage ratios is less than 5%, the proposed acquisition of the Celarc Sale Shares by OPUS is subject to reporting and announcement requirement under Chapter 14A of the HK Listing Rules.

The Board is pleased to announce that on 7 November 2016, OPUS, an indirect subsidiary of the Company, announced its proposal to implement an on-market buyback of up to 20 million OPUS Shares. The proposed OPUS Share Buyback is subject to the approval of OPUS' shareholders at its extraordinary general meeting.

DETAILS OF THE PROPOSED OPUS SHARE BUYBACK

The key details of the OPUS Share Buyback are as follows:

- (a) Type: On-market buyback at the ASX, on a first come, first serve basis.
- (b) Maximum number of securities to be bought back: 20 million OPUS Shares.
The maximum number of OPUS Shares to be bought back represents approximately 20.7% of OPUS' total issued share capital of 96,413,596 OPUS Shares as at the date of this announcement.
- (c) Condition: The OPUS Share Buyback is subject to the approval of OPUS' shareholders at the extraordinary general meeting of OPUS.
- (d) Timing: The OPUS Share Buyback will commence on the day after the approval of OPUS' shareholders at its extraordinary general meeting and will remain open until the earlier of:
 - (i) the end of the first anniversary of the date of the extraordinary general meeting; or
 - (ii) when 20 million OPUS Shares have been bought back.
- (e) Price range: The ASX Listing Rules impose a moving cap on the price OPUS may pay for the OPUS Shares of 5% above the volume weighted average market price per OPUS Share for the 5 days on which trades were recorded at the ASX ("VWA Price") before the day on which a purchase under the OPUS Share Buyback was made. OPUS will in its discretion offer to buy back OPUS Shares on market at the prevailing market price or otherwise as determined by OPUS, subject to the ASX Listing Rules.

The VWA Price as at the date of this announcement is AU\$0.578. Assuming OPUS acquires 20 million OPUS Shares at AU\$0.606 which is 5% above the VWA Price as at the date of this announcement, the total consideration of the OPUS Share Buyback will be AU\$12,120,000.

OPUS DIRECTOR'S PARTICIPATION IN THE OPUS SHARE BUYBACK

Mr. Celarc and his associated entities intend to sell to OPUS and OPUS intends to acquire from Mr. Celarc and his associated entities Celarc Sale Shares at AU\$0.48 per OPUS Share, amounting to an aggregate consideration of AU\$4,519,795, under the proposed OPUS Share Buyback. The price of AU\$0.48 per OPUS Share at which Mr. Celarc intends to sell represents (i) a 17% discount to the VWA Price as at the date of this announcement; (ii) a 9% discount to the VWA Price over the period since the results for the 6 months ended 30 June 2016 of OPUS were announced; and (iii) a 8% discount to the VWA Price over the last 3 months, in which period 866,000 shares have been traded. According to the information provided by Mr Celarc, the original acquisition cost of the Celarc Sale Shares was approximately AU\$7 million representing AU\$0.743 per OPUS Share.

OPUS has undertaken that if it acquires the Celarc Sale Shares under the OPUS Share Buyback (even if the acquisition is more or less than the 9,416,239 OPUS Shares), then for the 10 Business Days following such acquisition, OPUS will acquire further OPUS Shares under the OPUS Share Buyback, up to the 20 million maximum limit referred above, at AU\$0.48 per OPUS Share, subject to the ASX Listing Rule. Assuming OPUS acquires 20 million OPUS Shares at AU\$0.48 per OPUS Share, the total consideration of the OPUS Share Buyback will be AU\$9,600,000.

The OPUS Share Buyback will take place on-market and apart from Mr. Celarc and his associated entities, the Company will not be aware of the identities of the related sellers. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, apart from Mr. Celarc and his associated entities, no other connected person of the Company (as defined in the HK Listing Rules) intends to participate in the OPUS Share Buyback.

EFFECT OF THE OPUS SHARE BUYBACK

Bookbuilders, an indirect wholly-owned subsidiary of the Company, currently holds 59,657,143 OPUS Shares and the OPUS Options as at the date of this announcement. Bookbuilders have indicated that, if the OPUS Share Buyback were to be implemented, Bookbuilders would not participate in the OPUS Share Buyback. Bookbuilders, Mr. Celarc and his associated entities intend to vote in favour of the proposed OPUS Share Buyback at the extraordinary general meeting of OPUS.

Set out below are the shareholding structure of OPUS (i) as at the date of this announcement; (ii) after the OPUS Share Buyback and before Bookbuilders exercising the OPUS Options; and (iii) after the OPUS Share Buyback and Bookbuilders exercising the OPUS Options based on the following assumptions:

- (a) there are no other changes to OPUS shareholdings other than as a result of the OPUS Share Buyback and Bookbuilders exercising OPUS Options;
- (b) Mr. Celarc and his associated entities sell the entire Celarc Sale Shares under the OPUS Share Buyback;
- (c) OPUS acquires 20 million OPUS Shares, being the maximum number of OPUS Shares to be bought under the OPUS Share Buyback; and
- (d) Bookbuilders exercise the OPUS Options in full.

	As at the date of this announcement		After the OPUS Share Buyback and before the exercise of OPUS Options in full		After the OPUS Share Buyback and after the exercise of OPUS Options in full	
	No. of OPUS Shares held	%	No. of OPUS Shares held	%	No. of OPUS Shares held	%
Bookbuilders	59,657,143	61.9%	59,657,143	78.1%	79,657,143	82.6%
Richard Celarc and his associates	12,334,647	12.8%	2,918,408	3.8%	2,918,408	3.0%
Paul Young (a non-executive director of OPUS) and his associates	735,473	0.8%	735,473	1.0%	735,473	0.8%
Other public shareholders of OPUS	23,686,333	24.5%	13,102,572	17.1%	13,102,572	13.6%
TOTAL	96,413,596	100.0%	76,413,596	100.0%	96,413,596	100.0%

The OPUS Shares bought back will be cancelled.

Upon completion of the proposed OPUS Share Buyback, Bookbuilders' interest in OPUS will increase from 61.9% to 78.1% (assuming there are no other changes to OPUS shareholdings other than as a result of the OPUS Share Buyback). Bookbuilders' interest in OPUS will further increase to 82.6% if

Bookbuilders exercise the OPUS Options in full.

The proposed OPUS Share Buyback will be funded from OPUS' cash reserves and will be settled in cash. OPUS' directors do not believe that the proposed OPUS Share Buyback will materially prejudice OPUS' ability to pay its creditors and OPUS will continue to have sufficient working capital to fund its operations.

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

	Audited Profit/ (Loss) of OPUS	
	Before taxation AU\$'000	After taxation AU\$'000
For the year ended 30 June 2014	(42,308)	(47,073)
For the six months ended 31 December 2014	(7,853)	(8,771)
For the year ended 31 December 2015	9,799	12,047

The unaudited net asset value of OPUS as at 30 June 2016 was approximately AU\$25,315,000.

REASONS FOR AND BENEFITS OF THE OPUS SHARE BUYBACK

OPUS has turned around its performance since its recapitalisation in 2014. As a result of on budget operational performance, OPUS has been an important part of the Group. The Company considers that the proposed OPUS Share Buyback provides a good opportunity for it to further increase its interest in OPUS and is an efficient use of surplus cash at OPUS. In addition, the liquidity in OPUS Shares has been thin over the past 9 months and the OPUS Share Buyback provides OPUS' shareholders with the opportunity of realising their investment in OPUS.

In light of the above and since the OPUS Share Buyback is governed by the ASX Listing Rules and the acquisition price per OPUS Share is subject to the moving cap imposed by the ASX Listing Rules, the Directors (including the independent non-executive Directors) consider that the terms of the proposed OPUS Share Buyback and the proposed acquisition of the Celarc Sale Shares by OPUS are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATION

As OPUS is a subsidiary of the Company, the OPUS Share Buyback, if it proceeds, will constitute a transaction of the Company under Chapter 14 of the HK Listing Rules. As the relevant applicable percentage ratios in respect of the proposed OPUS Share Buyback (calculated based on an acquisition price of AU\$0.606 per OPUS Share, being 5% above the VWA Price of AU\$0.578 as at the date of this announcement, and resulting in an aggregate consideration of AU\$12,120,000) exceed 5% but are less than 25%, the OPUS Share Buyback, if it proceeds, will constitute a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the HK Listing Rules. The OPUS Share Buyback will be carried out in a manner such that the relevant applicable percentage ratios will not exceed 25%.

Since Mr. Celarc is an executive director of OPUS, a subsidiary of the Company, Mr. Celarc is a

connected person of the Company under the HK Listing Rules and the proposed acquisition of the Celarc Sale Shares by OPUS from Mr. Celarc and his associated entities will, if it proceeds, constitute a connected transaction of the Company under Chapter 14A of the HK Listing Rules. As each of the applicable percentage ratios is less than 5%, the proposed acquisition of the Celarc Sale Shares by OPUS is subject to reporting and announcement requirements under Chapter 14A of the HK Listing Rules but is exempt from independent shareholders' approval requirement. The acquisition of the OPUS Shares by OPUS from Mr. Celarc and his associated entities will be carried out in a manner such that the relevant applicable percentage ratios will not exceed 5%.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, none of the Directors have any material interest in the OPUS Share Buyback and the proposed acquisition of the Celarc Sale Shares by OPUS. As such, no Director has abstained from voting on the resolutions of the Board approving the OPUS Share Buyback and the proposed acquisition of the Celarc Sale Shares by OPUS.

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 a technology based printing group. 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. OPUS has operations in Australia and New Zealand.

DEFINITIONS

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

"ASX"	the Australian Securities Exchange
"ASX Listing Rules"	the Rules Governing the Listing of Securities on the ASX
"AU\$"	Australian dollar, the lawful currency of Australia
"Board"	the board of Directors
"Bookbuilders"	Bookbuilders BVI Limited, a company incorporated in the British Virgin Island with limited liability, and an indirect wholly-owned subsidiary of the Company
"Business Days"	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day
"Celarc Sale Shares"	9,416,239 OPUS Shares (representing approximately 9.8% of OPUS' total issued share capital) held by Mr. Celarc and his associated entities

"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)
"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
"Mr. Celarc"	Mr. Richard Celarc, an executive director of OPUS, together with his associated entities are currently interested in 12,334,647 OPUS Shares (representing approximately 12.8% of OPUS' total issued share capital).
"OPUS"	OPUS Group Limited, a company incorporated in Australia with limited liability, whose shares are listed on the Australian Securities Exchange (stock code : OPG) and an indirect subsidiary of the Company
"OPUS Options"	20,000,000 options granted by OPUS to Bookbuilders entitling Bookbuilders or its nominee to subscribe for 20,000,000 OPUS Shares at an exercise price of AU\$0.35 per OPUS Share at any time up to and including 30 September 2017
"OPUS Share(s)"	the fully paid ordinary share(s) in the share capital of OPUS
"OPUS Share Buyback"	the proposed on-market share buyback by OPUS pursuant to the details set out in this announcement
"%"	per cent.

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

Hong Kong, 7 November 2016

For the purpose of illustration only and unless otherwise stated, conversion of AU\$ to HK\$ in this announcement are based on the exchange rate of AU\$1.00 to HK\$5.95. 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. Guo Junsheng as non-executive director; 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