THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker 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 Recruit Holdings Limited (the "Company"), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The information contained in this circular is subject to amendment and finalisation and approval of the Prospectus (as defined herein).

Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



(Stock code: 550)

MAJOR TRANSACTION DEEMED DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF 1010 PRINTING GROUP LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Independent Financial Adviser to the Independent Board Committee and Shareholders ALTUS CAPITAL LIMITED

A letter from Altus Capital Limited, the independent financial adviser to the Shareholders, containing its advice in relation to the Proposed Spin-off is set out on pages 28 to 46 of this circular.

EXPECTED TIMETABLE

Latest time for lodging transfers of Shares to qualify for the Preferential Offer
Record Date for determining the entitlement to the Preferential Offer
Despatch of BLUE Application Form to Qualifying Shareholders on or before Monday, 11 July
Latest time for Qualifying Shareholders to lodge BLUE Application Form
Results of allocation in the Public Offer and the Preferential Offer Friday, 22 July
Dealings in 1010 PGL Shares on the Stock Exchange expected to commence on Monday, 25 July

All times above refer to Hong Kong local time. Please note that the above timetable depends largely on the timetable of the Proposed Spin-off and thus it may be subject to further changes, in which case further announcement(s) will be made to inform the Shareholders as and when necessary. For further details in respect of the Listing timetable please refer to the timetable as set out in the Prospectus.

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In this circular, unless the context otherwise requires, the following expressions shall have the following meaning:

"1010 PGL"	1010 Printing Group Limited, 匯星印刷集團有限公司 (Chinese name), an exempted company incorporated under the laws of Bermuda with limited liability on 9 March 2011
"1010 PGL Board"	the board of directors of 1010 PGL
"1010 PGL Controlling Shareholders"	the Company and Recruit (BVI) Limited
"1010 PGL Group"	1010 PGL and its subsidiaries
"1010 PGL Share(s)"	ordinary shares of HK\$0.01 each in the share capital of 1010 PGL
"associate"	has the meaning ascribed to it under the Listing Rules
"Assured Entitlement"	the entitlements of Qualifying Shareholders to apply for such number of Reserved Shares under the Preferential Offer on the basis of 236 Reserved Shares for every whole multiple of 6,000 Shares (one board lot of Shares) held by each Qualifying Shareholder at 4:30 p.m. on the Record Date
"BLUE Application Form(s)"	the form of application for the Reserved Shares for use by Qualifying Shareholders under the Preferential Offer
"Board"	the board of directors of the Company
"Bye-laws"	the bye-laws of the Company as amended from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Recruit Holdings Limited, a company continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Directors"	directors of the Company
"Effective Date"	the date, expected to be on or about Monday, 25 July 2011, on which dealings of the 1010 PGL Shares on the Stock Exchange commences

"Group"	the Company and its subsidiaries (including the 1010 PGL Group)
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee formed by the independent non-executive Directors to advise the Shareholders on the Proposed Spin-off
"Independent Financial Adviser" or "Altus Capital"	Altus Capital Limited, a corporation licensed to carry out business in type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and is the independent financial adviser to the Independent Board Committee and the Shareholders in connection with the Proposed Spin-off
"Latest Practicable Date"	24 June 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing"	the listing of 1010 PGL Shares on the Main Board of the Stock Exchange
"Listing Approval"	the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, 1010 PGL Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Offer Price"	the final offer price per 1010 PGL Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) at which the 1010 PGL Shares are to be issued pursuant to the Share Offer, as described in the Prospectus
"Placing"	the conditional placing by the underwriters of the Placing Shares with institutional, professional and other investors as described in the Prospectus which includes the Preferential Offer

"Placing Shares"	the new 1010 PGL Shares to be initially offered by 1010 PGL for subscription and the 1010 PGL Shares which will be offered under the Placing
"PN15"	Practice Note 15 of the Listing Rules
"PRC"	the People's Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Preferential Offer"	the preferential offer to the Qualifying Shareholders of the Reserved Shares at the Offer Price, subject to and in accordance with the terms and conditions of the Prospectus and the BLUE Application Form
"Proposed Spin-off"	the proposed disposal of part of the Company's interest in 1010 PGL by way of a separate listing of 1010 PGL Shares on the Main Board of the Stock Exchange
"Prospectus"	the prospectus dated 30 June 2011 issued by 1010 PGL in relation to the Share Offer
"Public Offer"	the offer of Public Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price, on and subject to the terms and conditions described in the Prospectus and the related application forms
"Public Offer Shares"	the new 1010 PGL Shares to be initially offered by 1010 PGL for subscription at the Offer Price pursuant to the Public Offer (subject to adjustment)
"Qualifying Shareholder(s)"	Shareholder(s) of the Company whose names appear on the Register as holding 26 or more Shares as at 4:30 p.m. on the Record Date
"Record Date"	5 July 2011, being the record date for ascertaining the Qualifying Shareholders who shall be entitled to the Assured Entitlement
"Registrar"	the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Remaining Group"	the Group excluding the 1010 PGL Group

"Reserved Shares"	the 1010 PGL Shares available under the Share Offer being offered pursuant to the Preferential Offer, subject to re-allocation to the Placing as described in the Prospectus
"Restricted Business(es)"	the business or activity engaged, operated, invested or otherwise involved in by the 1010 PGL Group as at the date of Listing including the publishing business (excluding publishing activities engaged or operated or invested or otherwise involved in or by the Remaining Group incidental to the performance or furtherance of their advertising business and which in itself do not generate any turnover or profit) and printing services business
"Shares"	shares of HK\$0.20 each in the issued share capital of the Company
"Shareholders"	the shareholders of the Company
"Share Offer"	the Public Offer, the Placing and the Preferential Offer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"%"	per cent.



(Continued in Bermuda with limited liability) (Stock code: 550)

Board of Directors: Executive Directors: Mr. Lau Chuk Kin Ms. Lam Mei Lan Ms. Chow So Chu

Non-executive Directors: Mr. Lee Ching Ming, Adrian Mr. Wan Siu Kau Mr. Peter Stavros Patapios Christofis

Independent Non-executive Directors: Mrs. Ling Lee Ching Man, Eleanor Mr. Cheng Ping Kuen, Franco Mr. Ho David Registered office: Clarendon House 2 Church Street Hamilton HM 11 Bermuda

Principal place of business in Hong Kong: 26/F 625 King's Road North Point Hong Kong

30 June 2011

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DEEMED DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF 1010 PRINTING GROUP LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

INTRODUCTION

The Board announced on 18 March 2011 that the Company had, on 18 January 2011, submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off of 1010 PGL. The Stock Exchange approved the PN15 submission on 23 February 2011 and confirmed that the Company may proceed with the Proposed Spin-off.

* For identification only

On 18 March 2011, 1010 PGL submitted a listing application form (for equity securities and debt securities) (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the 1010 PGL Shares in issue as at the date of the Prospectus, the 1010 PGL Shares to be issued under the Share Offer on the Main Board of the Stock Exchange. On 27 June 2011, the Listing Committee of the Stock Exchange approved the listing of, and granted the permission to deal in, 1010 PGL Shares on the Main Board of the Stock Exchange.

The purposes of this circular are to: (i) provide Shareholders with information on the reasons for, and the benefits of, the Proposed Spin-off (together with such other information relating to the Proposed Spin-off as required by the Listing Rules for a major transaction of the Company); (ii) set out the opinion of the Independent Board Committee on the terms of the Proposed Spin-off; and (iii) set out the letter of advice from Altus Capital containing its recommendation to the Independent Board Committee and the Shareholders regarding the terms of the Proposed Spin-off.

Shareholders and potential investors should note that the Proposed Spin-off and the Share Offer are subject to, among others, the obligations under the underwriting agreements to be entered into between 1010 PGL and the underwriters becoming unconditional in all respects and the underwriting agreements not being terminated in accordance with their respective terms. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the 1010 PGL Shares will take place or as to when it may take place. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PROPOSED SPIN-OFF

The Proposed Spin-off is expected to be effected by way of the Share Offer which will comprise the Public Offer, the Placing and the Preferential Offer, and will be accompanied by a separate listing of the 1010 PGL Shares on the Main Board of the Stock Exchange. The final structure of the Proposed Spin-off, including the size of the Share Offer and the exact apportionment between the Public Offer, the Placing and the Preferential Offer is set out in the Prospectus. Upon the successful conclusion of the Share Offer, the 1010 PGL Shares will be listed on the Main Board of the Stock Exchange.

The Share Offer is expected to comprise an offer of Public Offer Shares, which is open to members of the public and institutional and professional investors in Hong Kong, and Placing Shares, which is selectively marketed to institutional and professional investors and other investors as described in the Prospectus.

Out of the new 1010 PGL Shares to be made available for subscription under the Placing, a portion of such new 1010 PGL Shares will be made available to Qualifying Shareholders for subscription under the Preferential Offer. Please refer to the section headed "Preferential Offer" below for details.

On the basis of the above offering structure, immediately after the Proposed Spin-off, 1010 PGL will have a public float of not less than 25% of its enlarged issued share capital. The new 1010 PGL Shares to be issued pursuant to the Share Offer will rank pari passu in all respects with all other 1010 PGL Shares then in issue.

The Proposed Spin-off is conditional on the conditions set out in the sub-section headed "Conditions precedent to the Proposed Spin-off" below.

Separate listing of the 1010 PGL Shares

The 1010 PGL Controlling Shareholders will be subject to restrictions on the disposal of the 1010 PGL Shares whereby, other than pursuant to the Share Offer, the 1010 PGL Controlling Shareholders, shall not (i) in the period commencing on the date as specified in the Prospectus and ending on the date which is six months from the date of Listing, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of 1010 PGL which are shown by the Prospectus to be beneficially owned by them; and (ii) in the period of six months commencing on the date on which the period referred to in (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of 1010 PGL which are shown by the Prospectus to be beneficially owned by them; and (ii) in the period of six months commencing on the date on which the period referred to in (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of 1010 PGL referred to in (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the 1010 PGL Controlling Shareholders would collectively cease to be entitled to exercise or control the exercise of 30% of the voting power at general meetings of 1010 PGL. As a result of such restriction, the Remaining Group shall retain the 1010 PGL Shares to be held by it for at least the abovementioned periods.

The Shares will continue to be listed on the Main Board of the Stock Exchange after the implementation of the Proposed Spin-off. The Listing is conditional upon the fulfillment or waiver of the conditions stated in the sub-section headed "Conditions precedent to the Proposed Spin-off" below. On 18 March 2011, 1010 PGL submitted a formal application to the Stock Exchange for the listing of, and permission to deal in, the 1010 PGL Shares in issue as at the date of the Prospectus and the 1010 PGL Shares to be issued under the Share Offer on the Main Board of the Stock Exchange.

On 27 June 2011, the Listing Committee of the Stock Exchange approved the listing of, and granted the permission to deal in, 1010 PGL Shares on the Main Board of the Stock Exchange. Subject to the Company's compliance with the stock admission requirements of HKSCC, 1010 PGL Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of listing of 1010 PGL Shares or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

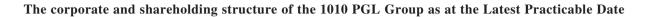
Shareholding effects of the Proposed Spin-off

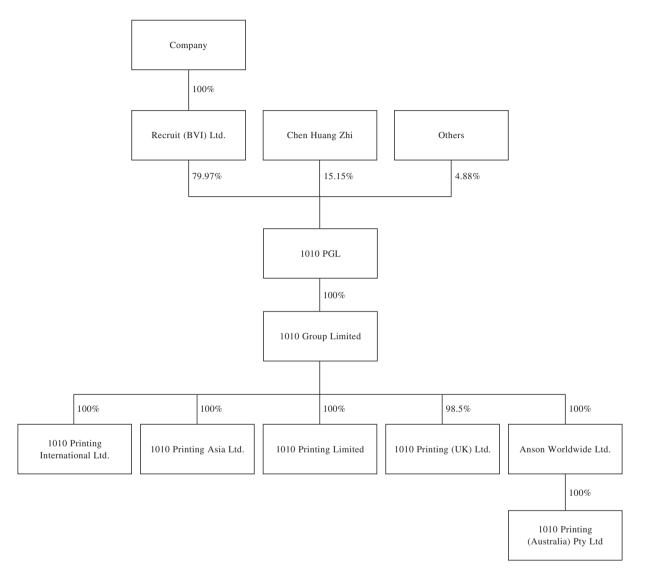
Shareholding structure of the 1010 PGL Group prior to the Proposed Spin-off

As at the Latest Practicable Date, 1010 PGL was indirectly held as to 79.97% by the Company and the 1010 PGL Group was comprised of the following companies:

Company Name	Principal business activity	Place of incorporation	Date of incorporation
Anson Worldwide Limited	Investment holding	British Virgin Islands	08 November 2002
1010 Group Limited	Investment holding	Hong Kong	10 January 2005
1010 Printing International Limited	Provision of printing services	Hong Kong	10 January 2005
1010 Printing (UK) Limited	Printing agency	United Kingdom	02 January 2007
1010 Printing Asia Limited	Provision of printing services	Hong Kong	03 April 2007
1010 Printing (Australia) Pty Ltd.	Provision of printing services	Australia	10 October 2008
1010 Printing Limited	Provision of printing services	Hong Kong	05 February 2010
1010 Printing Group Limited	Investment holding	Bermuda	09 March 2011

The following chart sets out the corporate and shareholding structure of the 1010 PGL Group as at the Latest Practicable Date:

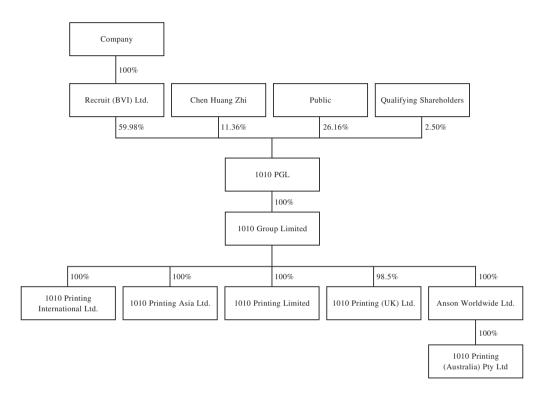




Shareholding structure of the 1010 PGL Group upon completion of the Proposed Spin-off

Upon the completion of the Proposed Spin-off, up to approximately 25.0% of the 1010 PGL Shares are expected to be offered pursuant to the Share Offer and the Company's equity interest in 1010 PGL will be reduced to approximately 59.98%.

The following chart sets out the corporate and shareholding structure of the 1010 PGL Group immediately following the completion of the Proposed Spin-off assuming all 1010 PGL Shares offered under the Preferential Offer have been fully subscribed for by Qualifying Shareholders:



The corporate and shareholding structure of the 1010 PGL Group immediately following the completion of the Proposed Spin-off

Business overview of the 1010 PGL Group

The 1010 PGL Group is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. 1010 PGL Group's printed products comprise mainly of illustrated leisure and lifestyle books (including photography books, cookbooks and art books), educational text books and learning materials (including primary, secondary and tertiary level school books) and children's books.

For each of the three years ended 31 December 2010, the Company produced approximately 30.6 million, 39.4 million and 48.8 million books, respectively. Set out below is the breakdown of the Group's book production by subject matter:

		For the year ended 31 December										
		2	008			2	009			2	010	
		% of				% of				% of		
	Revenue	the	Books	% of	Revenue	the	Books	% of	Revenue	the	Books	% of
	(HK\$	total	produced	books	(HK\$	total	produced	books	(HK\$	total	produced	books
	million)	sales	(million)	produced	million)	sales	(million)	produced	million)	sales	(million)	produced
Educational text books												
and materials	37.3	11.3	3.0	9.9	82.9	18.5	6.7	17.1	101.8	19.5	10.2	20.9
Children's books	39.4	11.9	11.7	38.2	43.1	9.7	10.0	25.3	43.7	8.4	12.0	24.6
Leisure and lifestyle books	254.5	76.8	15.9	51.9	321.3	71.8	22.7	57.6	376.5	72.1	26.6	54.5
Total	331.2	100.0	30.6	100.0	447.3	100.0	39.4	100.0	522.0	100.0	48.8	100.0

Remaining Group and the 1010 PGL Group after the Proposed Spin-off

The business of the 1010 PGL Group operates independently of and does not rely on the Remaining Group. In addition, both the Company and Recruit have entered into the Non-competition Deed for the purpose of restricting business competition with each other under certain circumstances. Details of the delinations of business and Non-competition Deed are set out as follows:

(1) Delineation of businesses

Prior to the Proposed Spin-off, the Group is principally engaged in the advertising media business (including recruitment magazine advertising and inflight magazine advertising), printing business and investment trading. After the Proposed Spin-off, there will be a clear delineation of business between the Remaining Group and the 1010 PGL Group:

- the Remaining Group will focus on the advertising media business, specifically recruitment magazine advertising and inflight magazine advertising, and investment trading. The Remaining Group will not engage in the Restricted Businesses.
- (ii) the 1010 PGL Group will focus on the Restricted Businesses.

(2) Details of the Non-competition Deed between the Company and 1010 PGL

Undertaking of the Company

Pursuant to the Non-competition Deed entered into between the Company and 1010 PGL dated 29 June 2011, the Company (for itself and on behalf of each other member of the Remaining Group) shall unconditionally and irrevocably undertake to 1010 PGL (for itself and on behalf of each other member of the 1010 PGL Group) that for so long as the 1010 PGL Shares are listed on the Main Board of the Stock Exchange or the Company and its associates, individually or collectively, hold 20% or more of the issued share capital of 1010 PGL and having the power to control the 1010 PGL Board, it will not, and shall procure that its associates will not:

- (i) compete with the 1010 PGL Group, directly or indirectly, whether on its/their own account or jointly with or on behalf of any person, firm or company, by acquiring or holding any interest in, or carrying on or being engaged, concerned or interested, directly or indirectly, whether as a shareholder, partner, agent or otherwise, in the carrying on of, any activity or business which directly or indirectly competes or is likely to be in competition with the Restricted Businesses;
- (ii) at any time use the name or trading style of any member of the 1010 PGL Group, or represent itself/themselves as carrying on or continuing or being connected with any member of the 1010 PGL Group or its business for any purpose whatsoever save as previously disclosed in writing to the Company;
- (iii) directly or indirectly solicit, interfere with, employ or endeavour to entice away from any member of the 1010 PGL Group with a view to competing with the 1010 PGL Group in the Restricted Businesses for any person who, to its/their knowledge, is as of the Effective Date, or has during the preceding 12 months been, a client, customer or employee of, or in the habit of dealing with the 1010 PGL Group.

Pursuant to the Non-competition Deed, it has been agreed that notwithstanding the foregoing restrictions, the Company may either by itself, or through its associate or associates:

- (i) hold and/or be interested in any shares or other securities in any company which is listed on a recognised stock exchange and engages or is involved in any activity or business which directly or indirectly competes with the Restricted Businesses, provided that the aggregate shareholding held by the Company and/or its associates in such company, whether directly or indirectly, does not exceed five per cent. of the issued share capital of such listed company, and provided further that the Company and its associates or 1010 PGL and its associates would not participate in or be otherwise involved in the management of that listed company; and
- (ii) hold shares and other securities in any member of the 1010 PGL Group.

Furthermore, pursuant to the Non-competition Deed, the Company shall undertake that if it or its associates become aware of any business opportunity which directly or indirectly competes, or may lead to competition, with the Restricted Businesses, they shall notify, and shall procure its associates to notify, the 1010 PGL Group of such business opportunity immediately upon becoming aware of it. The Company has also agreed to use its best efforts to procure that such business opportunity is first offered to the 1010 PGL Group upon terms which are fair and reasonable. The independent board committee of the 1010 PGL Board comprising the independent non-executive directors of 1010 PGL shall decide whether to take up such business opportunity. It is only after the 1010 PGL Group has declined such opportunity that the Company or its associate(s) may then pursue such business opportunities.

Undertaking of 1010 PGL

Pursuant to the Non-competition Deed, 1010 PGL (for itself and on behalf of each other member of the 1010 PGL Group) has unconditionally and irrevocably undertaken to the Company (for itself and on behalf of each other member of the Remaining Group) that for so long as the 1010 PGL Shares are listed on the Main Board of the Stock Exchange or the Company and its associates, individually or collectively, hold 20% or more of the issued share capital of 1010 PGL and having the power to control the 1010 PGL Board, it will not, and will procure that its associates will not:

- (i) compete with the Remaining Group, directly or indirectly, whether on its/their own account or jointly with or on behalf of any person, firm or company, by acquiring or holding any interest in, or carrying on or being engaged, concerned or interested, directly or indirectly, whether as a shareholder, partner, agent or otherwise, in the carrying on of, any activity or business which directly or indirectly competes or is likely to be in competition with the businesses of the Remaining Group;
- (ii) at any time use the name or trading style of any member of the Group, or represent itself/themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever save as those names/trading styles which have been previously disclosed in writing to the 1010 PGL Group; and
- (iii) directly or indirectly solicit, interfere with, employ or endeavour to entice away from any member of the Remaining Group with a view to competing with the Remaining Group in the businesses of the Remaining Group for any person who, to its/their knowledge, is as of the Effective Date, or has during the preceding 12 months been, a client, customer or employee of, or in the habit of dealing with, any member of the Remaining Group.

Notwithstanding the foregoing restrictions, 1010 PGL may either by itself, or through its associate or associates, hold and/or be interested in any shares or other securities in any company which is listed on a recognised stock exchange and engages or is involved in any activity or business which directly or indirectly competes with the businesses of the Remaining Group, provided that the aggregate shareholding held by 1010 PGL and/or its associates in such company, whether directly or indirectly, does not exceed five per cent. of the issued share capital of such listed company, and provided further that 1010 PGL and its associates would not participate in or be otherwise involved in the management of that listed company.

It is further provided in the Non-competition Deed that if there is any disagreement between the Company and 1010 PGL as to whether or not any activity or business (or proposed activity or business) or business opportunity directly or indirectly competes or may lead to competition with the Restricted Businesses or the businesses of the Remaining Group, as the case may be, the matter shall be determined by the independent board committee of the affected party, whose decision shall be final and binding.

The Company and 1010 PGL have undertaken to one another, that at the request of the independent board committee of the other, to provide all such information as it possesses and is necessary so as to enable the independent board committee to make an informed assessment as to whether or not there has in fact been a breach of the Non-competition Deed.

Both the Company and 1010 PGL have also undertaken to provide each other with an annual confirmation, upon requests that they have complied with the undertaking pursuant to the Non-competition Deed. The independent board committee of 1010 PGL will review, at least on an annual basis, whether the Company has complied with the undertakings of the Non-competition Deed and report thereupon. Such report will be disclosed in the Company's annual report and include a statement as to whether or not the Company has delivered, at the end of the financial year to which that annual report relates, the annual confirmation pursuant to its undertaking described above, and if it fails to do so, the details of the steps for the enforcement of that undertaking.

It has been agreed that any development, venture, partnership, investment, undertaking, engagement, involvement in business or activity not falling within the ambit of the Restricted Business or businesses of the Remaining Group shall not be so restricted in any way, form or manner by virtue thereof.

The Non-competition Deed is conditional upon, among other things, all the conditions precedent in respect of any underwriting arrangements in relation to the Share Offer being fulfilled (or waived) and the obligations of the underwriters under any underwriting arrangements becoming unconditional and/or not being terminated according to the terms and conditions or other provisions thereof.

Independence of directorship and management of the Remaining Group and the 1010 PGL Group

Following the completion of the Listing, the Company and 1010 PGL will have boards of directors that will function independently of each other. The following tables show the details of the directorships of the Company and 1010 PGL upon Listing.

(i) The Board before and immediately after the Proposed Spin-off will remain as follows:

Name of directors	Position			
Mr. Lau Chuk Kin	Executive Director			
Ms. Lam Mei Lan	Executive Director			
Ms. Chow So Chu	Executive Director			
Mr. Lee Ching Ming, Adrian	Non-executive Director			
Mr. Wan Siu Kau	Non-executive Director			
Mr. Peter Stavros Patapios Christofis	Non-executive Director			
Mrs. Ling Lee Ching Man, Eleanor	Independent Non-executive Director			
Mr. Cheng Ping Kuen, Franco	Independent Non-executive Director			
Mr. Ho David	Independent Non-executive Director			

(ii) The composition of the 1010 PGL Board immediately after completion of the Listing is as follows:

Name of directors	Position			
Mr. Yang Sze Chen, Peter	Executive director			
Mr. Lau Chuk Kin	Executive director			
Ms. Choi Ching Kam, Dora	Executive director			
Mr. Yeung Ka Sing	Independent non-executive director			
Prof. Lee Hau Leung	Independent non-executive director			
Mr. Tsui King Chung, David	Independent non-executive director			
Dr. Ng Lai Man, Carmen	Independent non-executive director			

The Remaining Group will maintain a sufficient level of independence of directorship and management from the 1010 PGL Group and does not have full-time senior management and/or employees who are involved in the day to day operations of the 1010 PGL Group.

Of the nine Directors, only Mr. Lau Chuk Kin will be an executive director of 1010 PGL. Mr. Lau shall abstain from voting pursuant to the provisions of the Bye-laws on any relevant board resolution of the Company in which he has a conflict of interest.

Financial information of 1010 PGL

Results of operation and financial position

The following table is a summary of the combined results of the 1010 PGL Group for each of the three years ended 31 December 2010 that have been audited by BDO Limited, which has been extracted from the Prospectus. For details, Shareholders should draw their attention to the accountants' report set out in Appendix I to the Prospectus.

Combined Statements of Comprehensive Income

	Year ended 31 December			
	2008	2009	2010	
	HK\$'000	HK\$'000	HK\$'000	
Revenue	331,240	447,343	521,989	
Direct operating costs	(264,339)	(336,125)	(419,538)	
Gross profit	66,901	111,218	102,451	
Other income	15,022	16,918	29,504	
Selling and distribution costs	(42,232)	(41,807)	(46,885)	
Administrative expenses	(14,905)	(17,727)	(13,865)	
Other expenses	(209)	(1,917)	(546)	
Finance costs	(8,515)	(6,551)	(4,272)	
Profit before income tax	16,062	60,134	66,387	
Income tax expense	(1,126)	(5,230)	(4,731)	
Profit for the year	14,936	54,904	61,656	
Other comprehensive income, including reclassification adjustments				
Exchange loss on translation of financial statements of foreign operations	(443)	(294)	(182)	
Other comprehensive income for the year, including reclassification adjustments and net of tax	(443)	(294)	(182)	
Total comprehensive income for the year	14,493	54,610	61,474	
Profit for the year attributable to:				
Owners of the Company	15,105	55,131	61,677	
Non-controlling interests	(169)	(227)	(21)	
	14,936	54,904	61,656	
Total comprehensive income attributable to:				
Owners of the Company	14,777	54,858	61,495	
Non-controlling interests	(284)	(248)	(21)	
	14,493	54,610	61,474	

Combined Statements of Financial Position

	As a 2008	2010	
	HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	135,230	166,113	199,517
Current assets			
Inventories	51,304	41,477	59,905
Trade and other receivables	117,777	168,134	211,336
Financial assets at fair value through			
profit or loss	570	-	-
Amounts due from fellow subsidiaries	830	648	688
Cash and cash equivalents	36,451	38,558	16,134
	206,932	248,817	288,063
Current liabilities			
Trade and other payables	33,630	71,492	66,865
Financial liabilities at fair value through			
profit or loss	-	2,360	5,174
Bank borrowings	49,500	54,328	83,316
Finance lease liabilities	4,365	4,358	7,003
Amounts due to intermediate holding			
company	179,231	150,859	1,509
Amounts due to fellow subsidiaries	-	720	940
Provision for taxation			1,744
	266,946	284,201	166,551
Net current assets/(liabilities)	(60,014)	(35,384)	121,512
Total assets less current liabilities	75,216	130,729	321,029
Non approved liabilities			
Non-current liabilities Finance lease liabilities	5,513	1,103	12,814
Deferred tax liabilities	2,400	7,628	12,814
		7,020	10,747
	7,913	8,731	23,561
Net assets	67,303	121,998	297,468

	As at 31 December			
	2008	2009	2010	
	HK\$'000	HK\$'000	HK\$'000	
EQUITY				
Share capital	33,000	33,000	81,000	
Reserves	34,154	89,012	216,503	
Equity attributable to owners of				
the Company	67,154	122,012	297,503	
Non-controlling interests	149	(14)	(35)	
Total equity	67,303	121,998	297,468	

Financial effects of the Proposed Spin-off

The following estimates the financial effect on the Company as a result of the Proposed Spin-off and is for illustration purposes only.

Net asset value

The audited consolidated net assets after deducting non-controlling interests of the Group was approximately HK\$495.5 million as at 31 December 2010. The audited combined net asset value of the 1010 PGL Group as at 31 December 2010 was approximately HK\$297.5 million.

Based on an Offer Price of HK\$0.80 per offer share in 1010 PGL (being the mid-point of the estimated range of the Offer Price between HK\$0.70 and HK\$0.90) the market capitalisation of 1010 PGL at Listing is expected to be approximately HK\$400 million. Taking into account the minimum total net proceeds of approximately HK\$84 million (assuming an Offer Price of HK\$0.80 per offer share), the unaudited proforma combined net asset value of the 1010 PGL Group as at 31 December 2010 would be approximately HK\$381.5 million.

Based on the current proposed structure of the Share Offer, the Board expects that the Company will recognise a decrease in equity attributable to owners of the Company of approximately HK\$9 million (consisting of HK\$7 million gross gain on deemed disposal and HK\$16 million in listing expenses) and the non-controlling interests of the Group would increase by approximately HK\$93.2 million resulting from the Proposed Spin-off. The total assets of the Group would increase by approximately HK\$84.0 million from the net proceeds on deemed disposal, and there would not have an impact on the consolidated liabilities of the Group.

However, it should be noted that the aforesaid calculation is estimated based on a number of assumptions, including, among others, that the Share Offer was completed on 31 December 2010, and has not taken into account the financial position of the 1010 PGL Group after 31 December 2010. Accordingly, the actual net loss to be recognised by the Group, which shall be calculated by reference to the financial position of the 1010 PGL Group at the time of completion of the Share Offer, may be different from the above estimation. Assuming the Proposed Spin-off is completed on or before 25 July 2011 and on the basis of the minimum proposed offer size and structure of the Share Offer, such net loss will be recognised as reserve movements of the Company for the year ending 31 December 2011. The net assets (after deducting minority interest) of the Group are therefore expected to increase by the same amount of such net loss.

Earnings

The effect of the Proposed Spin-off on the future earnings of the Group will depend on, among others, the return generated from the proceeds raised from the Share Offer as well as the growth of the business operations of the 1010 PGL Group.

Based on the audited consolidated financial statements of the Group for each of the two years ended 31 December 2009 and 2010, the audited consolidated profits before taxation of the Group were approximately HK\$101.8 million and approximately HK\$182.3 million, respectively. For each of the two years ended 31 December 2009 and 2010, the audited total comprehensive income, after taxation and non-controlling interests of the Group, attributable to owners of the Company were approximately HK\$80.3 million and approximately HK\$158.0 million, respectively.

Based on the audited combined financial statements of the 1010 PGL Group for each of the two years ended 31 December 2009 and 2010, the audited combined profits before taxation of the 1010 PGL Group were approximately HK\$60.1 million and approximately HK\$66.4 million, respectively. For each of the two years ended 31 December 2009 and 2010, the audited combined profits after taxation of the 1010 PGL Group were approximately HK\$54.9 million and approximately HK\$61.7 million, respectively. Details of the audited combined results of the 1010 PGL Group for each of the three years ended 31 December 2010 will be included in the Prospectus.

Following completion of the Proposed Spin-off, the Group's earnings contributed from 1010 PGL Group are expected to be reduced as the Company's interest in 1010 PGL will be reduced from 79.97% down to a minimum of approximately 59.98% and 1010 PGL will continue to be a subsidiary of the Group. Consequently, financial results of the 1010 PGL Group will continue to be consolidated into the accounts of the Group. As a result of the Proposed Spin-off whereby part of the 1010 PGL Group is disposed of by the Group, minority interests of the Group are expected to increase.

Reasons for and benefits of the Proposed Spin-off

The Board considers that the Proposed Spin-off is in the interests of the Group, the Shareholders taken as a whole and the 1010 PGL Group based on the following reasons:

- (a) the Proposed Spin-off essentially separates the Group's printing services business from its recruitment magazine advertising, inflight magazine advertising and investment trading businesses. Given the distinct business nature between the printing business and each of the recruitment magazine advertising, inflight magazine advertising and investment trading businesses, the separate listing is expected to enhance the operational and financial transparency of the 1010 PGL Group and provide investors, financiers and market rating agencies with greater clarity on its business so that they are able to appraise the strategies, functional exposure, risks and returns of the printing business separately and to make their investment decisions accordingly. Investors will have the choice to participate in the future development of either the Remaining Group or the 1010 PGL Group and invest in either one or both of the business models;
- (b) the Group and the 1010 PGL Group are believed to have different growth paths and different strategies. Thus, the Proposed Spin-off will allow separate platforms for the business of the 1010 PGL Group and the Remaining Group to grow with more focused development and strategic planning of their respective operations. As such, 1010 PGL, as a separate listed entity, will have its own separate management structure focusing on the printing services and book publishing business, thereby enhancing the decision-making process and its responsiveness to market conditions so as to ensure that the 1010 PGL capitalises on opportunities in the printing business area;
- (c) the separate listing of 1010 PGL will provide a separate fund raising platform thereby enabling it to raise the capital required to finance its future expansion without reliance on the Group to do so. The Directors believe that 1010 PGL is poised for significant growth and it would be both effective and prudent for 1010 PGL to support this growth independently through the Listing;
- (d) the Group intends to maintain not less than 50% equity interest in the 1010 PGL Group. Accordingly, the Group will continue to benefit from any potential upside in the printing business to be owned by the 1010 PGL Group through consolidation of financial results of the 1010 PGL Group; and
- (e) as a listed company, 1010 PGL would be able to offer an equity based incentive program (such as a stock option or share award scheme) to its employees that correlates directly to the performance of the printing business. 1010 PGL would therefore be in a better position to motivate its employees with incentive programs that closely align with the objective of value creation for 1010 PGL shareholders.

Conditions precedent to the Proposed Spin-off

The Proposed Spin-off will be conditional on, among others, the following:

- (i) the terms and structure of the Share Offer having been agreed among the Company, 1010 PGL, the joint bookrunners, the joint lead managers and the underwriters; and
- (ii) the obligations of the underwriters under the underwriting agreements to be entered into between, among others, the Company, 1010 PGL and the underwriters in respect of the Share Offer becoming unconditional in all respects and the underwriting agreements not being terminated in accordance with their respective terms or otherwise, on or before the dates and times to be specified therein.

If any of these and other applicable conditions are not fulfilled or waived, if applicable, prior to the dates and times to be specified, the Proposed Spin-off will not proceed and the Stock Exchange will be notified immediately and an announcement will be published by the Company as soon as practicable thereafter.

Intended use of proceeds

Set out below is, for illustration purposes only, the minimum amount of expected net proceeds from the Proposed Spin-off to 1010 PGL and based on an Offer Price of HK\$0.80 per offer share in 1010 PGL (being the mid-point of the estimated range of the Offer Price):

	HK\$ million
Illustrative consideration	100
Less:	
Expected transaction costs to be incurred	
for the Proposed Spin-off	(16)
Minimum amount of expected net proceeds from	
the Proposed Spin-off	84

1010 PGL currently intends to use the net proceeds payable to 1010 PGL from the Share Offer in the following manner:

- approximately 48.8% of the net proceeds to purchase new machinery and equipment;
- approximately 35.7% of the net proceeds to develop a book publishing brokerage and promotion business in the PRC;
- approximately 6.0% of the net proceeds for the development of the 1010 PGL Group's electronic book conversion business; and
- approximately 9.5% of the net proceeds to 1010 PGL for working capital and general corporate purposes.

Further information regarding 1010 PGL's implementation plans for its business and strategy are disclosed in the Prospectus.

To the extent that the net proceeds from the issue of new 1010 PGL Shares are not sufficient to fund the uses set forth above, 1010 PGL intends to fund the balance through a variety of means including cash generated from 1010 PGL operations and bank financing. The directors of 1010 PGL believe that the net proceeds from the issue of new 1010 PGL Shares, when combined with such alternate sources of financing, are sufficient for the uses set forth above.

Underwriting Agreement

In connection with the Proposed Spin-off, the Company has entered into a public offer underwriting agreement relating to the Public Offer with 1010 PGL, the underwriters and the coordinators of the Public Offer.

Further details of the public offer underwriting agreement is set out in the Prospectus.

PREFERENTIAL OFFER

Under the current structure of the Proposed Spin-off, 1010 PGL will offer 12,531,836 Reserved Shares representing approximately 10.0% of the new 1010 PGL Shares initially available under the Share Offer for subscription by the Qualifying Shareholders at the Offer Price under the Preferential Offer. The Reserved Shares will be allocated out of the Placing Shares. It is expected that the Qualifying Shareholders will be entitled to subscribe on an assured basis at the Offer Price for 236 Reserved Shares for every whole multiple of 6,000 Shares (one board lot of Shares) held by them at 4:30 p.m. on the Record Date. As such, the Qualifying Shareholders will be offered the opportunity to maintain their interests in 1010 PGL to up to approximately 2.5% on an assured basis under the Preferential Offer. However, the final assured entitlement will depend on the number of Shares held by the Qualifying Shareholders at 4:30 p.m. on the Record Date confirming the Qualifying Shareholders' entitlement to the Reserved Shares.

In addition to the Reserved Shares, the Qualifying Shareholders are also entitled to subscribe for Public Offer Shares pursuant to the Public Offer. Any Qualifying Shareholder holding less than 26 Shares will not be entitled to apply for the Reserved Shares on an assured basis.

Any Qualifying Shareholder who holds the Shares as a nominee, trustee or registered holder in any other capacity will not be treated differently from any other registered holder. Any beneficial owner of the Shares whose Shares are registered in the name of a nominee, trustee or registered holder in any other capacity should make arrangements with such nominee, trustee or registered holder in relation to the Assured Entitlement. Any such person may consider whether it wishes to arrange for the registration of the relevant Shares in the name of the beneficial owner prior to the Record Date.

A BLUE Application Form together with an electronic copy of the Prospectus recorded on CD-ROM will be despatched to each Qualifying Shareholder on or before Monday, 11 July 2011. Qualifying Shareholders will be permitted to apply for a number of Reserved Shares which is equal to or less than their Assured Entitlements under the Preferential Offer. A valid application in respect of a number of Reserved Shares equal to or less than a Qualifying Shareholder's Assured Entitlement will be accepted in full, subject to the terms and conditions set forth in the Prospectus and the BLUE Application Form. If an application is made for a number of Reserved Shares which is greater than the Assured Entitlement of a Qualifying Shareholder, the Assured Entitlement will be satisfied in full but the excess portion of such application will not be met and the excess application monies will be refunded. If an application is made for a number of Reserved Shares less than the Assured Entitlement of a Qualifying Shareholder, the applicant is recommended to apply for a number in one of the numbers of full board lots stated in the table of number of 1010 PGL shares that maybe applied for and payments on the back page of the BLUE Application Form which also states the amount of remittance payable on application for each multiple of full board lots of Reserved Shares. If such applicant does not follow this recommendation when applying for less than the Assured Entitlement, the applicant must calculate the correct amount of remittance payable on application for the number of Reserved Shares applied for by using the formula set out in the table of number of 1010 PGL shares that maybe applied for payments on the back page of the BLUE Application Form. Any application not accompanied by the correct amount of application monies may be treated as invalid in its entirety and no Reserved Share will be allotted to such applicant. The joint lead managers, on behalf of the underwriters, will allocate any Assured Entitlement not taken up by Qualifying Shareholders to the Placing.

Each Qualifying Shareholder may be entitled, in addition to applying for Reserved Shares, to make one application for the Public Offer Shares under the Public Offer.

Shareholders should note that Assured Entitlement to Reserved Shares may represent 1010 PGL Shares which are not in a multiple of a full board lot of 4,000 1010 PGL Shares, and that dealings in odd lots of the 1010 PGL Shares may be at a price below their prevailing market price.

Assured Entitlements of Qualifying Shareholders will not be transferable and there will be no trading in nil paid entitlements on the Stock Exchange. Any Assured Entitlement not taken up by Qualifying Shareholders will be allocated to the Placing.

In respect of the despatch of electronic copies of the Prospectus recorded on CD-ROM to each Qualifying Shareholder, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 2.07A(2) of the Listing Rules, pursuant to which the Company may send the Prospectus to Shareholders in electronic format without the prior express, positive confirmation in writing from Shareholders to receive corporate communications electronically.

RECORD DATE

In order to qualify for the Preferential Offer, all transfer forms accompanied by the relevant share certificates must be lodged with the Registrar by no later than 4:30 p.m. on Tuesday, 5 July 2011 (or such later date as the Board may determine and announce).

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a major transaction of the Company under Rule 14.29 and pursuant to PN15 of the Listing Rules and is subject to Shareholders' approval under Rule 14.40 of the Listing Rules. Since no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off, written shareholders' approval has been obtained in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. City Apex Limited as the controlling shareholder of the Company, holding 177,954,000 Shares (being approximately 55.85% of the issued share capital of the Company as at the Latest Practicable Date), has given its written approval in respect of the Proposed Spin-off. Accordingly, no special general meeting of the Company will be convened for the purposes of approving the Proposed Spin-off.

RECOMMENDATIONS

The Directors (excluding the independent non-executive Directors) are of the view that the terms of the Proposed Spin-off are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. An Independent Board Committee has been formed to advise the Shareholders in connection with the Proposed Spin-off. Altus Capital has been appointed as an independent financial adviser to advise the Independent Board Committee and the Shareholders on the same. Altus Capital considers that the Proposed Spin-off is in the interest of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable as far as the Company and the Shareholders are concerned. Accordingly, Altus Capital advises the Independent Board Committee to recommend, and Altus Capital themselves recommend, that the Shareholders vote in favour of the relevant

resolution which if there were a special general meeting of the Company held to consider and if thought fit, to approve the Proposed Spin-off. The letter from Altus Capital containing its advice in relation to the Proposed Spin-off, together with the factors and reasons it considered in arriving at its opinion, is set out on pages 28 to 46 of this circular.

The Independent Board Committee, having taken into account the advice of Altus Capital, considers that the terms of the Proposed Spin-off are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Shareholders vote in favour of the relevant resolution which if there were a special general meeting of the Company held to consider and if thought fit, to approve the Proposed Spin-off.

GENERAL

The principal businesses of the Group comprise advertising media (including recruitment magazine advertising, in flight magazine advertising), printing services and investment trading.

1010 PGL is a subsidiary of the Company. The 1010 PGL Group will, after the Proposed Spinoff, be principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies.

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, under the Share Offer, and save for the Qualifying Shareholders pursuant to the Preferential Offer, the 1010 PGL Shares are expected to be offered to third parties independent of the Company.

ADDITIONAL INFORMATION

This circular is being distributed to the Shareholders. This circular does not constitute an offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. Neither this circular nor anything contained therein shall form the basis of any contract or commitment whatsoever.

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

Yours faithfully, For and on behalf of **Recruit Holdings Limited** Lam Mei Lan *Executive Director*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



(Continued in Bermuda with limited liability) (Stock code: 550)

30 June 2011

To the Shareholders

Dear Sir or Madam,

POSSIBLE MAJOR TRANSACTION IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF 1010 PRINTING GROUP LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

We refer to the circular issued by the Company to its Shareholders dated 30 June 2011 ("Circular") of which this letter forms part. Capitalised terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the Proposed Spin-off constitutes a major transaction and a deemed disposal of subsidiary by the Company under Rule 14.29 and pursuant to PN15 of the Listing Rules, is subject to the approval of the Shareholders, which has been given by the Controlling Shareholder.

We have been appointed by the Board to consider the terms of the Proposed Spin-off and to advise the Shareholders as to whether, in our opinion, the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Altus Capital has been appointed as the independent financial adviser to advise us and the Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from Altus Capital as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, Altus Capital as set out in its letter of advice, we consider that the terms of the Proposed Spin-off are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

> Yours faithfully, Independent Board Committee Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco, Mr. Ho David Independent Non-executive Directors

* For identification only

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders in respect of the Proposed Spin-off which has been prepared for the purpose of inclusion in this circular.

30 June 2011

ALTUS CAPITAL LIMITED

8/F Hong Kong Diamond Exchange Building8 Duddell Street, CentralHong Kong

To the Independent Board Committee and the Shareholders Recruit Holdings Limited 26/F 625 King's Road North Point Hong Kong

Dear Sirs,

POSSIBLE MAJOR TRANSACTION DEEMED DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF 1010 PRINTING GROUP LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Shareholders in relation to the Proposed Spin-off. Details of the proposal are set out in the "Letter from the Board" contained in the circular of the Company dated 30 June 2011 ("**Circular**") to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 18 March 2011, the Company announced that it had submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off of 1010 PGL. The Stock Exchange approved the PN15 submission on 23 February 2011 and confirmed that the Company may proceed with the Proposed Spin-off.

On 18 March 2011, 1010 PGL submitted a listing application form (for equity securities and debt securities) (Form A1) to the Stock Exchange for an application for the listing of, and permission to deal in, the 1010 PGL Shares in issue as at the date of the Prospectus and the 1010 PGL Shares to be issued under that Share Offer. On 27 June 2011, the Listing Committee of the Stock Exchange approved the listing of and granted the permission to deal in, 1010 PGL Shares on the Main Board of the Stock Exchange.

Currently, the Group is principally engaged in the advertising media businesses (including recruitment magazine publishing, in-flight magazine advertising), printing business and investment trading. The aforesaid printing business of the Group is operated by the companies which will, as part of the Proposed Spin-off, become members of the 1010 PGL Group.

The 1010 PGL Group is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. The 1010 PGL Group's printed products comprise mainly of illustrated leisure and lifestyle books (including photography books, cookbooks and art books), educational text books and learning materials (including primary, secondary and tertiary level school books) and children's books.

Under the current proposal, the Company will spin-off its existing printing business by way of the Share Offer, which will be accompanied by the separate listing of the 1010 PGL Shares on the Main Board of the Stock Exchange. The Share Offer is expected to comprise of the Public Offer and the Placing. Out of the 1010 PGL Shares to be made available for subscription under the Placing, a portion of such 1010 PGL Shares will be made available to Qualifying Shareholders for subscription under the Preferential Offer.

It is contemplated that immediately following completion of the Proposed Spin-off, the Company's interest in 1010 PGL will initially be reduced from approximately 79.97% to approximately 59.98% of the issued share capital in 1010 PGL (as enlarged by the Share Offer immediately following the completion of the Proposed Spin-off).

The Proposed Spin-off will constitute a deemed disposal under Rule 14.29 of the Listing Rules and given that the applicable percentage ratios pursuant to Chapter 14 of the Listing Rules, the Proposed Spin-off is expected to constitute a major transaction for the Company. As a result, the Proposed Spin-off will be subject to shareholders' approval at a general meeting of the Company. In addition, PN15 of the Listing Rules requires the Proposed Spin-off and the related matters to be approved by the shareholders at a general meeting of the Company.

Upon listing of 1010 PGL on the Main Board of the Stock Exchange, it will continue to be a subsidiary of the Company.

Since no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off, a written shareholder's approval has been obtained in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. City Apex Limited as the controlling shareholder of the Company, holding 177,954,000 Shares (representing approximately 55.85% of the issued share capital of the Company as at the Latest Practicable Date), has given its written approval in respect of the Proposed Spin-off. Accordingly, no special general meeting of the Company will be convened for the purposes of approving the Proposed Spin-off.

Completion of the Proposed Spin-off, will be conditional on, among other things, the following:

- (i) the terms and structure of the Share Offer having been agreed among the Company, 1010 PGL, the sponsor, the joint bookrunners and the joint lead managers; and
- (ii) the obligations of the underwriters under the underwriting agreement to be entered into between, among others, the Company, 1010 PGL and the underwriters in respect of the Share Offer becoming unconditional in all respects and the underwriting agreements not being terminated in accordance with their respective terms or otherwise, on or before the dates and times to be specified therein.

As at the Latest Practicable Date, the Independent Board Committee comprising all the independent non-executive Directors, namely Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Ho David, has been established to make recommendations to the Shareholders as to whether the terms of the Proposed Spin-off are fair and reasonable so far as the Shareholders are concerned, and whether they are in the interests of the Company and the Shareholders as a whole.

As the independent financial adviser to the Independent Board Committee and the Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Shareholders as to (i) whether the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Proposed Spin-off are fair and reasonable so far as the Shareholders are concerned; and (iii) how the Shareholders should vote in respect of the resolution relating to the Proposed Spin-off if there were a special general meeting of the Company convened for such purposes.

Apart from the normal advisory fee payable to us in connection with our appointment, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, the Company and its management. We have assumed that all statements, information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the statements, information, facts, opinions, and representation provided to us by the Directors, the Company and its management. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed; thus we have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided to us by them.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in the Circular have been arrived at after due and careful consideration and that there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We have relied on such information and opinions and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the Proposed Spin-off, we have taken into consideration the following principal factors:

1. Background information of the Company

(a) Principal business

The Group is principally engaged in the advertising media businesses (including recruitment magazine publishing, in-flight magazine advertising), printing business and investment trading. Currently, the printing business of the Group is operated by the companies which will, as part of the Proposed Spin-off, become members of the 1010 PGL Group.

(b) Historical financial information

Set out below is a summary of the audited financial results of the Group for each of the three years ended 31 December 2010 as extracted from the Group's annual reports. Your attention is also drawn to the "Financial information of the Group" set out in Appendix I to the Circular.

	Year ended 31 December		
	2008	2009	2010
	HK\$'000	HK\$'000	HK\$'000
Revenue and turnover	592,882	698,119	1,152,539
Gross profit	187,214	208,108	319,219
Profit before income tax	82,617	101,772	182,311
Income tax expenses	(2,274)	(8,940)	(12,810)
Profit for the year	80,343	92,832	169,501
Total assets	456,516	594,780	836,064
Total liabilities	(141,397)	(209,637)	(287,073)
Total equity/Net assets	315,119	385,143	548,991
Cash and cash equivalents	85,769	135,178	218,182
Gearing	18.8%	15.5%	24.9%

For the year ended 31 December 2009

Based on the Company's annual report for the year ended 31 December 2009 (the "2009 Annual Report"), the Group recorded consolidated turnover of approximately HK\$698.1 million representing an increase of approximately 17.8% from approximately HK\$592.9 million for the financial year ended 31 December 2008. Profit for the year amounted to approximately HK\$92.8 million for the financial year ended 31 December 2009 as compared to the profit for the year of approximately HK\$80.3 million for the financial year ended 31 December 2009.

The Group's cash and bank deposits as at 31 December 2009 were approximately HK\$135.2 million (31 December 2008: approximately HK\$85.8 million).

According to the 2009 Annual Report, the Group's gearing ratio was approximately 15.5% (2008: approximately 18.8%), based on total bank borrowings and finance lease liabilities of approximately HK\$59.8 million (2008: approximately HK\$59.4 million) and total equity of the Group of approximately HK\$385.1 million (2008: approximately HK\$315.1 million).

For the year ended 31 December 2010

Based on the Company's annual report for the year ended 31 December 2010 (the "**2010 Annual Report**"), the Group recorded consolidated turnover of approximately HK\$1,152.5 million, representing an increase of approximately 65.1% from approximately HK\$698.1 million for the fiscal year ended 31 December 2009. Profit for the year amounted to approximately HK\$169.5 million for the financial year ended 31 December 2010 as compared to the profit for the year of approximately HK\$92.8 for the financial year ended 31 December 2009.

According to the 2010 Annual Report, the increase in revenue was mainly due to the increase of 1.5 times in advertising business.

The Group's cash and bank deposits as at 31 December 2010 were approximately HK\$218.2 million (31 December 2009: approximately HK\$135.2 million).

According to the 2010 Annual Report, the Group's gearing ratio was approximately 24.9% (2009: approximately 15.5%) based on total bank borrowings and finance lease liabilities of approximately HK\$136.5 million (2009: approximately HK\$59.8 million) and total equity of the Group of approximately HK\$549.0 million (2009: approximately HK\$385.1 million).

(c) Future prospects

The Group's wholly-owned subsidiary, Cinmedia Limited which holds the exclusive rights to sell advertising space on inflight magazines onboard major carriers in the Greater China region, will enjoy a sustainable growth due to the buoyant economy in the PRC and the continuous strong demand for luxury consumer goods. Given that the recruitment market in Hong Kong having recovered with local economy resuming growth, Recruit magazine is therefore expected to demonstrate stronger growth in both revenue and profitability. In addition, the Group intends to enhance the performance of its online platform to aim at generating more online revenue which will contribute to the net profit margin. As a result, the Directors are confident about the growth and sustainable potential of the business of the Remaining Group.

Following completion of the Listing, 1010 PGL will remain a subsidiary of the Group. With the separate listing of 1010 PGL, the Group is expected to enhance operational and financial transparency of both 1010 PGL and the Group so that the Remaining Group is able to focus its strategies, functional exposure, risks and returns on the advertising business. Given 1010 PGL Group had shown sustainable growth in the past few years, the Directors expect that 1010 PGL Group will continue to contribute to the profitability of the Group in the future.

Furthermore, the management is actively seeking acquisition targets that can bring incremental value to the Group.

2. Background information of 1010 PGL

(a) Principal business

The 1010 PGL Group is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. The 1010 PGL Group's printed products comprise mainly of illustrated leisure and lifestyle books (including photography books, cookbooks and art books), educational text books and learning materials (including primary, secondary and tertiary level school books) and children's books.

As stated in the "Letter from the Board", upon completion of the Proposed Spin-off, the Company will become 1010 PGL's controlling shareholder, holding approximately 59.98% of its enlarged issued share capital.

In considering whether there is a delineation between the Remaining Group and the 1010 PGL Group following the Proposed Spin-off, we have considered the following factors:

(i) Delineation of businesses

- The business of the Remaining Group is different from the business of the 1010 PGL Group and it will not engage in the Restricted Activity.

(ii) Non-competition Deed between the Company and 1010 PGL

- Pursuant to the Non-competition Deed proposed to be entered into between the Company and 1010 PGL, each of the Company and 1010 PGL shall unconditionally and irrevocably undertake not to compete with the other party, in terms of (i) business activity, (ii) use of name and trading style and (iii) solicit/enticing client/customer/ employee of the past 12 months.

(iii) Independence of directorship and management

- Following completion of the Listing, the Company and 1010 PGL will have boards of directors that will function independently of each other. The exact structure of the directorship and management of both the Company and 1010 PGL will be finalised prior to the issue of the Prospectus. The Remaining Group will maintain a sufficient level of independence of directorship and management from the 1010 PGL Group and does not have full-time senior management and/or employees who are involved in the day to day operations of the 1010 PGL Group. Of the nine Directors, only Mr. Lau Chuk Kin will be an executive director of 1010 PGL. Mr. Lau shall abstain from voting pursuant to the provisions of the Bye-laws on any relevant board resolution of the Company in which he has a conflict of interest.

(iv) Independent accounting function

– The accounting records of the 1010 PGL Group are controlled by a separate team of accounting professionals (which are separate from the Remaining Group).

(v) Independent financial viability

- There are no cross guarantees between the Remaining Group and the 1010 PGL Group.

(vi) Independent offices

- The various offices occupied by the 1010 PGL Group for its business operations are located in different locations separate from the Remaining Group.

(vii) Independent accounting and administrative capacity

- The finance, accounting and administrative departments of 1010 PGL Group are staffed by different personnel who report to and work for 1010 PGL (i.e. totally separate and independent from the Remaining Group).

Based on the abovementioned factors, we are of the view that the 1010 PGL Group operates independently of the Remaining Group and that the Company complies with PN15 with regard to delineation of management.

(b) Historical financial information

Set out below is a summary of the audited combined financial results of the 1010 PGL Group for each of the three years ended 31 December 2010. Your attention is also drawn to the "Financial information of the 1010 PGL Group" set out in the "Letter from the Board" in the Circular.

	Year ended 31 December			
	2008	2009	2010	
	HK\$'000	HK\$'000	HK\$'000	
Revenue	331,240	447,343	521,989	
Gross profit	66,901	111,218	102,451	
Profit before income tax	16,062	60,134	66,387	
Income tax expense	(1,126)	(5,230)	(4,731)	
Profit for the year	14,936	54,904	61,656	
Total assets	342,162	414,930	487,580	
Total liabilities	(274,859)	(292,932)	(190,112)	
Net assets	67,303	121,998	297,468	
Cash and bank deposits	36,451	38,558	16,134	
Gearing	88.27%	49.0%	34.7%	

For the year ended 31 December 2009

For the year ended 31 December 2009 (the "**2009 Audited Accounts**"), the 1010 PGL Group recorded consolidated revenue of approximately HK\$447.3 million representing an increase of approximately 35.1% from approximately HK\$331.2 million for the financial year ended 31 December 2008. Profit for the year amounted to approximately HK\$54.9 million for the financial year ended 31 December 2009 as compared to the profit for the year of approximately HK\$14.9 million for the financial year ended 31 December 2008.

The 1010 PGL Group's cash and bank deposits as at 31 December 2009 were approximately HK\$38.6 million (31 December 2008: approximately HK\$36.5 million).

According to the 2009 Audited Accounts, the 1010 PGL Group's gearing ratio was approximately 49.0% (2008: approximately 88.27%), based on total bank borrowings and finance lease liabilities of approximately HK\$59.8 million (2008: approximately HK\$59.4 million) and total equity of the 1010 PGL Group of approximately HK\$122.0 million (2008: approximately HK\$67.3 million).

For the year ended 31 December 2010

For the year ended 31 December 2010 (the "**2010 Audited Accounts**"), the 1010 PGL Group recorded consolidated revenue of approximately HK\$522.0 million, representing an increase of approximately 16.7% from approximately HK\$447.3 million for the fiscal year ended 31 December 2009. Profit for the year amounted to approximately HK\$61.7 million for the financial year ended 31 December 2010 as compared to the profit for the year of approximately HK\$54.9 million for the financial year ended 31 December 2009.

According to the 2010 Audited Accounts, the 1010 PGL Group's revenue is generated almost entirely from the sale of book printing orders, hence the increase in revenue was mainly due to the growth in sales order.

The 1010 PGL Group's cash and bank deposits as at 31 December 2010 were approximately HK\$16.1 million (31 December 2009: approximately HK\$38.6 million).

According to the 2010 Audited Accounts, the 1010 PGL Group's gearing ratio was approximately 34.7% (2009: approximately 49.0%) based on total bank borrowings and finance lease liabilities of approximately HK\$103.1 million (2009: approximately HK\$59.8 million) and total equity of the 1010 PGL Group of approximately HK\$297.5 million (2009: approximately HK\$122.0 million).

3. Reasons for and benefits of the Proposed Spin-off

The Board considers that the Proposed Spin-off is in the interests of the Group and the Shareholders taken as a whole and the 1010 PGL Group based on the following reasons:

- (a) the Proposed Spin-off essentially separates the Group's printing services business from its advertising and investment trading businesses. Given the distinct business nature between the printing business and each of the recruitment magazine advertising, inflight magazine advertising and investment trading businesses, the separate listing is expected to enhance the operational and financial transparency of the 1010 PGL Group and provide investors, financiers and market rating agencies with greater clarity on its business so that they are able to appraise the strategies, functional exposure, risks and returns of the printing business separately and to make their investment decisions. As a result, investors will have the choice to participate in the future development of either the Group or the 1010 PGL Group and invest in either one or both of the business models;
- (b) the Group and the 1010 PGL Group are believed to have different growth paths and different strategies. The Proposed Spin-off will allow separate platforms for the business of the 1010 PGL Group and the remaining business of the Group to grow with more focused development and strategic planning of their respective operations;

- (c) the Proposed Spin-off will enable the 1010 PGL Group to enhance its corporate profile and reputation, thereby increasing its ability to attract strategic investors, who can produce synergies for the 1010 PGL Group, for investment in, and forming strategic partnerships with, the 1010 PGL Group. The Remaining Group will benefit from such investments without capital commitment;
- (d) the separate listing of 1010 PGL will provide a separate fund raising platform thereby enabling it to raise the capital required to finance its future expansion without reliance on the Group to do so. The Directors believe that 1010 PGL is posed for significant growth and it would be both effective and prudent for 1010 PGL to support this growth independently through the Listing;
- (e) the Group intends to maintain not less than 50% equity interest in the 1010 PGL Group. Accordingly, the Group will continue to benefit from any potential upside in the printing business to be owned by the 1010 PGL Group through consolidation of financial results of the 1010 PGL Group; and
- (f) as a listed company, 1010 PGL would be able to offer an equity based incentive program (such as a stock option or share award scheme) to its employees that correlates directly to the performance of the printing business. 1010 PGL would therefore be in a better position to motivate its employees with incentive programs that closely align with the objective of value creation for 1010 PGL shareholders.

As explained in the "Letter from the Board" in the Circular, the net proceeds of the Share Offer (based on the Offer Price of HK\$0.80 per Offer Share, being the mid-point of the estimated range of the Offer Price) are intended to be utilised as follows:

- approximately 48.8% of the net proceeds to purchase new machinery and equipment;
- approximately 35.7% of the net proceeds to develop a book publishing brokerage and promotion business in the PRC;
- approximately 6% of the net proceeds for the development of the 1010 PGL Group's electronic book conversion services; and
- the balance of approximately 9.5% of the net proceeds to fund 1010 PGL's working capital and general corporate purposes.

We are of the view that with 1010 PGL separately raising equity funds to finance its business expansion, the Remaining Group would have more flexibility to deploy its financial resources to fund its other core businesses and/or any other suitable investment opportunities in future. Taking into account the aforesaid reasons and benefits of the Proposed Spin-off, we are of the view that it is appropriate to consider the Proposed Spin-Off as a viable option to finance and implement the longer-term expansion of the businesses of 1010 PGL.

4. The Remaining Group

The Remaining Group as defined in the Circular means the Group excluding the 1010 PGL Group. The purpose of such distinction is for ease of analysing (per the requirements set out in PN15 of the Listing Rules) whether upon completion of the Proposed Spin-off and by excluding the Group's interest in 1010 PGL, the Company would retain a sufficient level of operations and sufficient assets to support its separate listing status.

Shareholders should note that for accounting purposes, upon completion of the Proposed Spinoff and the Share Offer, 1010 PGL will remain a subsidiary of the Group and its financial results will be consolidated into the Group's results.

In considering whether upon completion of the Proposed Spin-off and by excluding the interest in 1010 PGL, the Company will retain a sufficient level of operations and sufficient assets to support its separate listing status, we have discussed with the Company and considered the following matters:

- (a) the Remaining Group has been operated under substantially the same management;
- (b) the Remaining Group has been operated under the same ownership and control for the two financial years ended 31 December 2010;
- (c) after the Proposed Spin-off, the Remaining Group will continue to operate its businesses, principally comprising the advertising media business;
- (d) based on our analysis set out in paragraphs 2(a) and 3 above, we are of the view that the 1010 PGL Group operates independently of the Remaining Group;
- (e) the revenue generated from the business operations of the Remaining Group for the past three audited financial years ended 31 December 2010 represents over 43.64%, 34.92% and 53.59% of the total turnover of the Group's respective annual results;
- (f) the segmental profit generated from the business operations of the Remaining Group for the past three audited financial years ended 31 December 2010 represents over 73.33%, 41.12% and 62.35% of the Group's operating profit of the respective financial year;
- (g) based on the segmental profit generated from the business operations of the Remaining Group for the past three audited financial years ended 31 December 2010, the combined reportable segment profit of the Remaining Group for the two years ended 31 December 2009 exceeds HK\$116.6 million and the reportable segment profit of the Remaining Group for the year ended 31 December 2010 (i.e. the last full audited financial year prior to the Proposed Spin-off) exceeds HK\$122.5 million; in other words, the financial results of the Remaining Group can meet the minimum profit requirement of Rule 8.05 of the Listing Rules;

- (h) based on the segment information of the Group for the year ended 31 December 2010, the reportable segment assets of the Remaining Group as at 31 December 2010 was approximately HK\$226.7 million, represents over 31.9% of the consolidated reportable segment assets of the Group as at 31 December 2010; given the Remaining Group's principal business is providing advertising services, being servicing industry, which generally does not require substantial asset backing, the level of assets recorded under the Remaining Group is adequate;
- (i) there is a growing potential for the businesses of the Remaining Group as described in paragraph 1 (c) above; and
- (j) none of the directors (except Mr. Lau Chuk Kin as described in paragraph 2(a)(iii) above, senior management and staff of the 1010 PGL Group have assumed any employment, role or function in any company in which forms part of the Remaining Group.

Taking into account the above factors, we are of the view that the Remaining Group would retain sufficient level of operations and assets as well as a viable business to support its listing status.

5. Principal terms of the Proposed Spin-off

(a) The Share Offer statistics

The proposed issue statistics of the Share Offer (which is yet to be finalised and set out in the Prospectus) are described in the "Letter from the Board" in the Circular.

(b) Indicative Offer Price

The Offer Price of HK\$0.80 per Offer Share (being the mid-point of the estimated range of the Offer Price and yet to be finalised and set out in the Prospectus) as described in the "Letter from the Board" in the Circular, will be payable in full upon acceptance of the relevant offer of Offer Shares.

We have discussed with the Directors, the sponsor of 1010 PGL and the bookrunner and lead manager of the Share Offer, and have been advised that the Offer Price would be determined on the basis of the following factors:

- the past financial performance of the 1010 PGL Group as stated in the paragraph headed "Historical financial results of the 1010 PGL Group" above, indicating a steady growth history;
- the growth potential of the 1010 PGL Group as described in the paragraph headed "Reasons for and benefits of the Proposed Spin-off" above;

- the performance of the securities market in Hong Kong and the general market sentiment towards initial public offerings (i.e. with reference to the offer statistics, the subscription results and the after-market share price performance of the recent initial public offerings in the market); and
- the current trading multiples of the Company and market comparables as described below.

We have noted a number of listed companies in Hong Kong on the Main Board of the Stock Exchange that have certain parts of their operations that are engaged in business that are similar to those of 1010 PGL. We have identified 5 companies listed on the Stock Exchange at the Latest Practicable Date that are engaged solely or principally in similar business as 1010 PGL (together the "Comparables") and we have, accordingly, compared their market statistics of the Comparables with the indicative offer price of the Share Offer. Given that the market statistics of the Comparables are all historical figures up to their respective financial year ended in 2010, we have accordingly for consistency purpose used 1010 PGL's historical financial data for the year ended 31 December 2010 to compare with the Comparables.

	Stock code	Closing price as at the Latest Practicable Date HK\$	Historical earnings per share <i>HK\$</i>	Historical PER times	Net asset value per share <i>HK\$</i>	Historical PBR times
Hung Hing Printing Group Ltd.	00450.HK	2.980	0.1817	16.4	3.1492	0.95
iOne Holdings Ltd.	00982.HK	0.146	0.0065	22.46	0.0235	6.22
Brilliant Circle Holdings International Ltd.	01008.HK	7.880	0.0387	203.62	0.4188	18.82
Hengxin Technology Ltd.	01085.HK	1.970	0.3660	5.38	2.6478	0.74
KEE Holdings Company Limited	02011.HK	1.060	0.1002	10.58	0.3273	3.24
Average (Note 1) High Low				13.70 22.46 5.38		2.79 6.22 0.74
The Company	00550.HK	2.690	0.5100	5.30	1.5597	1.72
1010 PGL (Note 2)		0.800	0.1200	6.67	0.7629	1.04

Notes:

- 1. For the purpose of calculating the average, we have not taken into account the exceptionally high historical PER and PBR of Brilliant Circle Holdings International Limited to avoid un-necessary distortion.
- 2. The abovementioned figures for 1010 PGL are yet to be finalised and set out in the Prospectus. For illustrative purpose, we are using the mid-point of the range of the Offer Price of HK\$0.80 per Offer Share. On this basis, the calculation of the abovementioned historical price/earnings multiple on a pro forma fully diluted basis of approximately 6.67 times is based on the fully diluted earnings per share of 1010 PGL of approximately HK\$0.12 for the financial year ended 31 December 2010. The historical unaudited pro forma adjusted combined net tangible assets per Offer Share of approximately HK\$0.7629 is calculated based upon (i) the audited combined net tangible assets attributable to the owners of 1010 PGL as at 31 December 2010 adjusted by the estimated net proceeds from the Share Offer and (ii) 500 million 1010 PGL Shares in issue immediately following completion of the Share Offer.

Compare with historical PER

Apart from the exceptionally high historical PER of approximately 203.62 times of Brilliant Circle Holdings International Limited, we note that the historical PER of 1010 PGL of approximately 6.67 times falls within the range of historical PER of the remaining Comparables of approximately 5.38 times to 22.46 times (though close to the low side) and still higher than the Company of approximately 5.30 times.

Compare with historical PBR

Apart from the exceptionally high historical PBR of approximately 18.82 times of Brilliant Circle Holdings International Limited, we note that the historical PBR of 1010 PGL of approximately 1.04 times also falls within the range of historical PBR of the other Comparables of approximately 0.74 times to 6.22 times.

Compare with historical PER of the Company

For the year ended 31 December 2010, the audited total comprehensive income, after taxation and non-controlling interests of the Group, attributable to owners of the Company was approximately HK\$158 million.

On the basis of 310,566,000 Shares in issue as at 31 December 2010, the historical earnings per Share would be approximately HK\$0.51 and the closing price per Share on the Latest Practicable Date of HK\$2.69 per Share, and historical PER of the Company is approximately 5.30 times.

Given the Group is engaged in both advertising media businesses as well as the printing business, we believe that it is inappropriate and irrelevant to compare its historical PER and adjusted historical PER with the Comparables (which are engaged solely or principally in similar businesses to 1010 PGL).

Based on the above analysis, we believe that if the 1010 PGL Shares are going to be offered at a historical PER higher than the historical PER of the Company, it will be beneficial to the Company.

Section summary

Based on our analysis set out above, in sum,

- (i) the historical PER of 1010 PGL (6.67 times) falls within the range of historical PER of the Comparables (excluding the exception as described above);
- (ii) the historical PBR of 1010 PGL (1.04 times) falls within the range of historical PER of the Comparables (excluding the exception as described above)); and
- (iii) the historical PER of 1010 PGL (6.67 times) is higher than the historical PER of the Company of (5.30 times),

we are of the view that based upon the indicative Offer Price of HK\$0.80 per Offer Share, the terms of the Share Offer is acceptable and reasonable to the Company and the Shareholders.

The Directors are also of the view that if the Group were to, as an alternative to implement the Proposed Spin-off and the Share Offer, determine to raise the amount of funds contemplated under the Share Offer by an equity issue of the Company, either via an equity placement or a rights issue, it would be normal and very likely be required to price such issue at a discount to the current market price of the Shares (i.e. at a lower PER than the abovementioned historical PER of the Company of 5.30 times). On this basis, the Directors and we are of the view that the terms of the Share Offer are beneficial, fair and reasonable to the Company and the Shareholders.

6. The resultant shareholdings in 1010 PGL before and after the Proposed Spin-off

(a) Shareholding structure in 1010 PGL after the Reorganisation but before the Proposed Spinoff

Details please refer to the "Letter from the Board" in the Circular.

(b) Shareholding structure in 1010 PGL after the Reorganisation and the Proposed Spin-off (assuming the Preferential Offer has been fully subscribed by the Qualifying Shareholders)

Details please refer to the "Letter from the Board" in the Circular.

7. Preferential Offer

Subject to the Stock Exchange granting listing of, and permission to deal in, the 1010 PGL Shares on the Stock Exchange, 12,531,836 Reserved Shares will be available for subscription by Qualifying Shareholders at the Offer Price under the Preferential Offer. Qualifying Shareholders will be entitled to subscribe on an assured basis at the Offer Price for an estimated 236 Reserved Shares for every multiple of 6,000 existing Shareholder held by them on the Record Date. Any Qualifying Shareholder holding less than 26 Shares will not be entitled to apply for the Reserved Shares on an assured basis.

In order to assess the reasonableness of the assured entitlement to the 1010 PGL Shares to be offered to the Shareholders under the Preferential Offer, we have considered the following spin-off exercises ("Spin-off Exercises") in Hong Kong that were successfully completed over the past 24 months up to and including the Latest Practicable Date:

Date of listing	Company name	Stock code	Assured entitlement as a percentage of the total number of shares %
24 September 2010	Magic Holdings International Limited	1633	4.0
5 October 2010	Ford Glory Group Holdings Limited	1682	4.9
11 October 2010	Kosmopolito Hotels International Limited	2266	5.3
18 November 2010	CITIC Dameng Holdings Limited	1091	10
20 December 2010	PAX Global Technology Limited	327	0.55
	1010 PGL		10

As illustrated in the table above, the assured entitlement offered to the shareholders under the Spinoff Exercises as a percentage to their respective total number of shares issued ranged from approximately 0.55% to 10%. There will be approximately 10% of the total enlarged issued share capital of 1010 PGL (i.e. 12,531,836 1010 PGL Shares) available for subscription by Qualifying Shareholders at the Offer Price under the Preferential Offer. Given that the assured entitlement percentage offered by 1010 PGL falls within the range of the other Spin-off Exercises, we consider that the size of the Assured Entitlement under the Preferential Offer is acceptable.

8. Possible financial effects of the Proposed Spin-off

(a) Estimated net loss on the deemed disposal as a result of the Proposed Spin-off and the effect on the net assets of the Group

As described in the "Letter from the Board", the Directors expect that the Company to recognize a "one-off" decrease in equity attributable to owners of the Company of approximately HK\$9 million from its deemed disposal as a result of the Proposed Spin-off.

This is calculated on the basis of the estimated net proceeds of HK\$84 million (i.e. assuming to issue 125 million new 1010 PGL Shares at the mid-point of the range of the Offer Price of HK\$0.80 per share under the Share Offer less HK\$16 million of listing expenses), add back the non-controlling interests of the audited combined net assets of the 1010 PGL Group as at 31 December 2010 of approximately HK\$59.56 million and less the non-controlling interests of the unaudited proforma combined net assets of the 1010 PGL Group as at 31 December 2010 of approximately HK\$59.56 million and less the non-controlling interests of the assets of the 1010 PGL Group as at 31 December 2010 of approximately HK\$152.64 million.

In addition, the above is calculated on the assumption that the Share Offer was completed on 31 December 2010, and the financial position of the 1010 PGL Group after 31 December 2010 has not been taken into account.

Shareholders should note that the Offer Price are yet to be finalised, the actual gain/loss on the deemed disposal may differ from the estimated figures as mentioned above.

As described in the "Letter from the Board", assuming the Proposed Spin-off is completed on or before 25 July 2011 and on the basis of the minimum proposed offer size and structure of the Share Offer, the abovementioned loss on deemed disposal will be recognised as reserve movements of the Company for the year ending 31 December 2011. The net assets (after deducting noncontrolling interests) of the Group are therefore expected to increase by the same amount of such loss.

Taking into account the reasons and benefits of the Proposed Spin-off set out in this letter, in particular,

- the Proposed Spin-off allows a delineation of the printing businesses from the Group and enables the Remaining Group to concentrate on developing the potential of its other core businesses as described in paragraph 1 above;
- the Proposed Spin-off and the Share Offer will enable 1010 PGL to raise its own equity/debt capital from the market (as and when appropriate), whilst the Remaining Group will be able to deploy its internal resources and/or equity/debt capital to be raised from the market (as and when appropriate) for the development of its other core businesses; and

• a separate listing of 1010 PGL fulfills the stated business strategy of the Group (as described in paragraph 3 above) to spin-off its mature and well-developed businesses; and through the separate listing provides investors, the investment markets and rating agencies with greater clarity on the businesses and financial status of the 1010 PGL Group and the Remaining Group, and in turn, will help to build investor confidence in the performance and management of both groups,

we are of the view that the "one-off" loss on deemed disposal as a result of the Proposed Spin-off is acceptable and in the interests of the Company and the Shareholders as a whole.

(b) Effects on the earnings of the Group

The effects of the Share Offer and the Proposed Spin-off on the future earnings of the Group will depend on, amongst other matters, the return generated from the proceeds raised from the Share Offer as well as the different growth paths for the business operations of the 1010 PGL Group.

As stated in the "Letter from the Board", 1010 PGL will upon Listing remain a 59.98% owned subsidiary of the Company. Accordingly, the financial results of 1010 PGL will be consolidated into those of the Group. However, the percentage share of earnings of the 1010 PGL Group by the Company will be reduced from 79.97% to approximately 59.98% in the consolidated accounts of the Group after completion of the Proposed Spin-off and the Share Offer.

Notwithstanding the abovementioned dilution effect, having considered the potential benefits to be brought about by the Proposed Spin-off on the Remaining Group and the 1010 PGL Group as described above and the Shareholders can directly participate the potential growth of the 1010 PGL Group through the Preferential Offer, we are of the view that the dilution in the percentage share of the future profits (after deducting non-controlling interests) of the 1010 PGL Group is acceptable and inevitable under a spin-off exercise.

(c) Gearing and working capital

Based on the current structure of the Share Offer, the net proceeds expected to be raised by 1010 PGL will provide the 1010 PGL Group with additional equity for expansion of its operations. Hence, there is no material adverse impact to the working capital of the Remaining Group.

Since the 1010 PGL Group will remain a non-wholly owned subsidiary of the Group, the financial results of the 1010 PGL Group will continue to be consolidated into those of the Group. Upon completion of the Proposed Spin-off and the Share Offer, the cash position of the Group is expected to increase by the estimated net proceeds; which in turn will enhance the Group's total equity. As a result, the gearing ratio of the Group (calculated as defined in the Group's annual report and shown in paragraph 1 (b) above, that is, total bank borrowings and finance lease liabilities divided by total equity) is also expected to improve following completion of the Proposed Spin-off and the Share Offer.

In view of the abovementioned improvement in gearing, we are of the view that the Proposed Spin-off and the Share Offer are beneficial to the Company and the Shareholders as a whole.

RECOMMENDATION

In making our recommendation, we have considered the following factors (details of which are elaborated in this letter):

- the background to the Proposed Spin-off, in particular, the information of the 1010 PGL
 Group (as mentioned under the paragraphs headed "Historical financial results of the 1010
 PGL Group" and "Background to the 1010 PGL Group" above);
- the reasons for and benefits of the Proposed Spin-off (as described in paragraph 3 above);
- the information on the Remaining Group and fulfilment of PN15 requirement (as described in paragraph 4 above);
- the Share Offer and the terms of the Share Offer (as described in paragraphs 5, 6 and 7 above); and
- the possible financial effects on the Group and the Shareholders (as described in paragraph 8 above).

After taking into account the factors and reasons mentioned in this letter, the analysis made by us in this letter, and based on the information provided and the representations made to us, we consider the terms of the Proposed Spin-off, to be fair and reasonable so far as the Shareholders are concerned; and that the Proposed Spin-off is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Shareholders to vote in favour of the resolution which if there were a special general meeting of the Company held to consider and, if thought fit, to approve the Proposed Spin-off.

Yours faithfully, For and on behalf of Altus Capital Limited Arnold Ip Executive Director

1. INDEBTEDNESS

Borrowings

As at 31 May 2011, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding bank borrowings of approximately HK\$93.0 million and finance lease of approximately HK\$16.3 million. Saved as aforesaid and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not, at the close of business on 31 May 2011, have any outstanding debt securities and loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, term loans (whether guaranteed, unguaranteed, secured and unsecured), or any other similar indebtedness (whether guaranteed, secured and unsecured) or any hire purchase commitments (whether guaranteed, secured and unsecured), liabilities under acceptances (other than normal trade bills), acceptance credits or any guarantees.

Contingent liabilities

As at the close of business on 31 May 2011, the Group did not have any material contingent liabilities.

Securities and charges

As at the close of business on 31 May 2011, the Group's aggregate bank borrowings were approximately HK\$93.0 million) which was secured by either corporate guarantees from the Company or the Company and minority shareholders of a subsidiary. Save as disclosed above, the Group did not have any mortgages or charges at the close of business on 31 May 2011.

2. WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to the Group, including internally generated funds and presently available banking facility, the Group has, in absence of unforeseeable circumstances, sufficient working capital for its present requirement for the next twelve months from the date of this circular.

3. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group anticipate that the business environment in 2011/2012 will continue to be challenging. However, management believes that given its strong financial position, the Group is going to strengthen its momentum with existing business opportunities ahead.

Advertising business

Inflight magazine

The Group has been in the inflight advertising business since 2004. The Group is now the exclusive agent for all the three major Chinese airlines to sell advertising space in inflight magazines, The Chinese aerial advertising industry has demonstrated very strong growth in the past decade and such momentum is expected to maintain. It is expected that the inflight magazine advertising business will continue to benefit from the economic growth in the PRC. The Group expects to see growth in revenue from the increase in both the number of advertising customers and advertising rates. In addition, the Group also expects to explore media sales business opportunities in other media sectors which will generate synergy with its existing inflight magazine advertising. The Directors are of the view that the income from inflight magazine advertising will remain the major income for the Group.

Recruit magazine

The recruitment market in Hong Kong has recovered with the local economy resuming growth. Regaining the MTR system as its major distribution network, Recruit magazine is expected to demonstrate stronger growth in both revenue and profitability. The Group will also enhance the performance of its online platform to aim at generating more online revenue which will contribute to the net profit margin. Adopting the business strategies above, the Directors expect that advertising revenue from Recruit magazine would continue to grow and contribute to the Group's profitability in the future.

Printing business

Upon Listing of 1010 PGL onto the Main Board, such business will not be operated by the Group directly, however 1010 PGL will remain a subsidiary of the Group. As set out under the heading "Reasons for and benefits of the Proposed Spin-off" in the "Letter from the Board" of this circular, separate listing of 1010 PGL Group is expected to enhance operational and financial transparency of both 1010 PGL and the Group so that the Group is able to appraise its strategies, functional exposure, risks and returns of the advertising business. Given 1010 PGL Group had experienced strong growth in the past few years, the Directors expect that 1010 PGL Group will continue to contribute to the profitability of the Group in the future.

1. **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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company to be notified to the Company and the Stock Exchange:

	Personal	Family	Corporate	-	Percentage o the issued hare capital of the
Name of Directors	Interests	Interests	Interests	Total	Company
	(Shares)	(Shares)	(Shares)	(Shares)	(%)
Mr. Lau Chuk Kin (Note 1)	2,838,000	Nil	179,860,000	182,698,000	57.34
Ms. Lam Mei Lan	1,200,000	Nil	Nil	1,200,000	0.38
Ms. Chow So Chu	1,248,000	Nil	Nil	1,248,000	0.39
Mr. Lee Ching Ming, Adrian (Note 2)	100,500	50,000	Nil	150,500	0.05
Mr. Peter Stavros Patapios Christofis	1,000,500	Nil	Nil	1,000,500	0.31
Mr. Cheng Ping Kuen, Franco	120,000	Nil	Nil	120,000	0.04

(a) Long position in Shares and underlying Shares

(b) Options to subscribe for Shares

	Number of share options				
Name of Director	Outstanding at 1.1.2011	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstandings as at Latest Practicable Date
Ms. Lam Mei Lan Ms. Chow So Chu	3,600,000 3,300,000	-	1,200,000 1,200,000	-	2,400,000 2,100,000

Notes:

- Of 179,860,000 shares, 1,906,000 shares and 177,954,000 shares are beneficially owned by ER2 Holdings Limited ("ER2") and City Apex Limited respectively. As at 31 December 2010, Mr. Lau Chuk Kin beneficially owned 67% of the issued share capital of ER2, which is the ultimate holding company of City Apex Limited. Accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said shares pursuant to Part XV of the SFO.
- 2. Of 150,500 shares, 50,000 shares are beneficially owned by the wife of Mr. Lee Ching Ming, Adrian, who is deemed to be interested in the said shares under Part XV of the SFO.

(c) Shares in associated corporations

As at the Latest Practicable Date, none of the Directors and chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issurers adopted by the Company to be notified to the Company and the Stock Exchange and none of the Directors or proposed Directors is a director or employee of the Company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

(d) Service contracts

Each of the non-executive directors has entered into a sevice contract with the company for a term of two years and is subject to termination by either party giving not less than one month's prior written notice to the other.

Save as mentioned above, as at the Latest Practicable Date, there were no existing or proposed service contracts between any of the Directors and any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

(e) Interest in assets of the Group

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which were, since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

(f) Interest in contracts and arrangements

None of the Directors had material interest in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

(g) Interest in competing business

Interests of the directors of the Company in competing businesses required to be disclosed pursuant to of the Listing Rules are as follows:

Name of director	Name of companies	Nature of competing business	Nature of interest
Mr. Lau Chuk Kin	International Resources Group Limited ("IRG")	Executive search in the United Kingdom	As a director of the IRG's subsidiary in Hong Kong and having indirect interest of
			less than 1% in IRG

Notes:

1. Mr. Lau Chuk Kin is an indirect shareholder of IRG. He has been appointed as director of Odgers Ray & Berndtson (Hong Kong) Limited, a subsidiary of IRG, since August 2008. IRG is a company providing human resources/recruitment consulting services with a focus on senior executive and board level appointments, while the Group provides staff selection service which forms only a minimal part of the Group's income as an ancillary service for promoting its recruitment website in Shanghai. IRG is managed by independent management in the United Kingdom. Having considered (i) the nature, scope and size of the IRG businesses; and (ii) the nature and extent of Mr. Lau's interest in IRG, the directors of the Company believe that there is a clear delineation and no competition between the businesses of the Group and IRG.

Save as disclosed in this section, none of directors of the Company or any of their respective associates (as defined in the Listing Rules) has any business or interest that competes or may compete with the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, according to the register of interests in long positions and short positions kept by the Company pursuant to Divisions 2 and 3 of Part XV and section 336 of the SFO and as far as the Directors are aware, the following persons had a long position or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Number of shares	Percentage to the issued share capital of the Company %
Mr. Lau Chuk Kin (Note 1)	182,698,000	57.34
ER2 Holdings Limited (Note 1)	179,860,000	56.45
City Apex Limited (Note 1)	177,954,000	55.85
JobStreet Corporation Berhad	26,250,000	8.24
Chan Family Investment Corporation Limited (Note 2)	20,115,333	6.31
Tai Wah Investment Company Limited (Note 2)	18,000,000	5.65
Dr. Lo Ka Shui (Note 3)	21,788,000	6.84
Great Eagle Holdings Limited (Note 4)	21,638,000	6.79
Jolly Trend Limited (Note 4)	21,638,000	6.79
The Great Eagle Company, Limited (Note 4)	21,638,000	6.79

Notes:

- 1. Of the 182,698,000 shares, Mr. Lau Chuk Kin has personal interest in 2,838,000 shares and is deemed to be interested in the 1,906,000 shares directly held by ER2. Each of Mr. Lau Chuk Kin and ER2 is deemed to be interested in the 177,954,000 shares owned by City Apex Limited.
- 2. Of these shares, 1,117,333 shares are directly owned by Chan Family Investment Corporation Limited, 998,000 shares and 18,000,000 shares are respectively held by Earnyear Limited and Tai Wah Investment Company Limited. Both Earnyear Limited and Tai Wah Investment Company Limited are wholly-owned subsidiaries of Chan Family Investment Corporation Limited.
- 3. Of these shares, 21,638,000 shares are duplicated in the interest described in note 4, as The Great Eagle Company Limited is a wholly-owned subsidiary of Great Eagle Holdings Limited. Dr. Lo Ka Shui was interested and/or deemed to be interested in the issued share capital of Great Eagle Holdings Limited. In addition, Dr. Lo Ka Shui has personal interest in 150,000 shares.
- 4. Each of Great Eagle Holdings Limited and Jolly Trend Limited is deemed to be interested in the 21,638,000 shares owned by The Great Eagle Company Limited.

Save as disclosed above, none of the Directors or chief executive of the Company are aware of any person (other than the Directors or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. LITIGATION

As at the Latest Practicable Date, save as disclosed in the section headed "Contingent liabilities" in Appendix I of this circular, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

5. EXPERT AND CONSENT

The following is the expert, and its qualifications, who has given its advice or opinion contained in this circular:

Name	Qualification
Altus Capital	a corporation licensed to carry out business in type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and is the independent financial adviser to the Independent Board Committee and the Shareholders in connection with the Proposed Spin-off

Altus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report as set out in this circular and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Altus Capital was not beneficially interested in the share capital of any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any direct or indirect interest in any assets which were, since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

6. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, were entered into by the Group within two years immediately preceding the date of this circular and are or may be material:

- (a) the share swap agreement dated 20 June 2011 entered into by, among others, the Company to implement the reorganization for the purpose of the Listing;
- (b) the subscription agreement dated 7 April 2010 entered into between Recruit (BVI) Limited and 1010 Group Limited in relation to the issue of 407,273,000 new shares of 1010 Group Limited to Recruit (BVI) Limited;
- (c) the lease agreement dated 21 January 2010 entered into between 1010 Printing International Limited and the lessor in relation to four sets of printing and binding machines.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office of the Company at 26/F, 625 King's Road, North Point, Hong Kong during normal business hours on any weekday, except public holidays, from the date of this circular for a period of 14 days:

- (i) the memorandum and Bye-laws of the Company;
- (ii) the annual reports of the Company for each of the three years ended 31 December 2008, 2009 and 2010;
- (iii) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 29 of this circular;
- (iv) the letter of advice from Altus Capital, the text of which is set out on pages 28 to 46 of this circular;
- (v) the written consent(s) as referred to in the section headed "Experts and consents" in this appendix;
- (vi) service contracts as referred to in the section headed "Directors' Interests service contracts" in this appendix; and
- (vii) material contracts as referred to in the section headed "Material contracts" in this appendix.

8. GENERAL

- (i) The secretary of the Company is Ms. Lam Mei Lan, CPA FCCA.
- (ii) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iii) The English language text of this circular shall prevail over the Chinese language text.