This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk factors" in this prospectus. You should read such section carefully before you decide to invest in the Offer Shares.

OVERVIEW

The Group is principally engaged in the provision of printing services to international book publishers, trade, professional and educational publishing conglomerates and print media companies. The 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. Sales to the Group's customers are principally conducted at its sales office in Hong Kong (with support from sales offices in Australia and the U.K.), whilst printing services are provided in the PRC through the engagement of an independent processing agent under a processing arrangement.

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. Set out below is the breakdown of the Group's book production and revenue by subject matter:

	For the year ended 31 December											
	2008				2009				2010			
	Revenue (HK$ million)	*% of the total sales*	*Books produced (million)*	*% of books produced*	*Revenue (HK$ million)*	*% of the total sales*	*Books produced (million)*	*% of books produced*	*Revenue (HK$ million)*	*% of the total sales*	*Books produced (million)*	*% of books 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

During the Track Record Period, the U.S. was the largest market of the Group, accounting for, on average, over 30% of the turnover of the Group. Set out below is the breakdown of the Group's book production by geographical areas:

	For year ended 31 December					
	2008		2009		2010	
Turnover	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
U.S.	101,172	30.5	150,758	33.7	149,169	28.6
Australia	92,977	28.1	122,699	27.4	127,211	24.4
U.K.	81,577	24.6	95,240	21.3	122,886	23.5
Hong Kong	18,672	5.6	10,788	2.4	19,082	3.7
Germany	15,894	4.8	25,669	5.8	39,238	7.5
New Zealand	9,212	2.8	11,685	2.6	22,771	4.4
Netherlands	8,207	2.5	8,630	1.9	13,201	2.5
Belgium	–	0.0	6,328	1.4	10,202	2.0
France	1,907	0.6	5,545	1.3	2,125	0.4
Others	1,622	0.5	10,001	2.2	16,104	3.0
	331,240	100.0	447,343	100.0	521,989	100.0

For each of the three years ended 31 December 2010, the Group recorded turnover of approximately HK$331.2 million, HK$447.3 million and HK$522.0 million respectively, representing a CAGR of 25.5%. Profit attributable to owners of the Company was approximately HK$15.1 million, HK$55.1 million and HK$61.7 million for each of the three years ended 31 December 2010, representing a CAGR of 102.1%.

The Group anticipates that expenses in relation to the Listing will be approximately HK$16 million. To the extent that the expenses of the Listing will be accounted for in the Group's profit and loss and as such, the Directors understand that such expenses may have an impact on the financial results of the Group for the year ending 31 December 2011.

In accordance with DIPN 21, profits from the sale of goods that are manufactured by a PRC entity under a processing arrangement (such as the Processing Agreement under which the Group conducts its printing business as described below) can be apportioned on a 50:50 basis and the chargeable profits so apportioned can be treated as non-taxable in Hong Kong.

During the Track Record Period, sales to the Group's five largest customers accounted for approximately HK$110.4 million, HK$141.2 million, and HK$142.3 million of Group revenue, representing approximately 33.3%, 31.6% and 27.3% of the total turnover of the Group, respectively. The following table sets out a summary of all the companies which featured as one of the Group's top five customers in one or all of the three years ended 31 December 2010.

Company	**Principal business activity**	**Years of relationship with the Group**
A	Independent publisher with sales offices in Australia and the U.K.	6
B	Printing broker firm based in the U.S.	4
C	Publisher of non-fiction books and a wholly-owned subsidiary of a U.S.-listed book retailer	4
D	Publisher of educational text books and reference materials in Australia and New Zealand and a subsidiary of a U.S.-based publisher of print and digital information services to the educational sector	6
E	U.K.-based publisher and member of a U.K.-listed publishing group	4
F	Australian publishing group which is the subsidiary of a U.K.-listed international media business covering education, business information and consumer publishing	6

Production of printed products is carried out by the Processing Partner under the Processing Agreement at the Processing Facility in Boluo County, Huizhou City, Guangdong Province, the PRC. The annual capacity of the Group's offset printing machines by number of impressions for each of the three years ended 31 December 2010 and the expected annual capacity for the years ending 31 December 2011 and 2012 is set out in the following table:

(in millions of impressions per annum)	**2008**	**2009**	**2010**	**2011E**	**2012E**
Maximum printing capacity (without plate changes) *(Note 1)*	779.5	1,009.2	1,152.7	1,239.2	1,341.6
Maximum printing capacity (with plate changes) *(Note 2)*	597.2	624.0	694.1	784.5	854.5
Actual printing output	361.6	629.9	653.1	N/A	N/A
Maximum printing capacity (without plate changes) – utilisation rate	46.4%	62.4%	56.7%	N/A	N/A
Maximum printing capacity (with plate changes) – utilisation rate	60.5%	101.0% *(Note 3)*	94.1%	N/A	N/A

Notes:

1. The maximum printing capacity (without plate changes) is calculated on the basis of total number of impressions per machine per hour at 16 hours per day and 322 working days per annum

2. The maximum printing capacity (with plate changes) is calculated on the basis of the total number of impressions per machine per hour at 16 hours per day and 322 working days per annum taking into account the downtime caused by changing plates, being approximately 15 minutes per set of plates (four pieces of plates) and 15 sets of plates per day.

3. The maximum printing capacity utilisation rate (with plate changes) exceeds 100% as the maximum printing capacity is based on output assumptions to provide an illustration of the Group's typical capacity. In some situations, as in 2009, the machines may have been operating at more than 16 hours per day or more than 322 days per annum.

The maximum annual printing capacity (without plate changes) is an optimal rate of output and is calculated based on the number of printing machines in the Processing Facility, the rate of impression for each printing machine as specified by the manufacturer, assuming that the machines are operating at maximum efficiency at all times (without any downtime in operation for plate changes, ink refills or need for maintenance) and the operating period of each printing machine in each working day and number of working days in each year.

The maximum printing capacity (with plate changes) is based on the optimal printing capacity less the time in which machines may be idle due principally to plate changes, refill of ink cartons, and repair and maintenance works. Whilst the maximum printing capacity (without plate changes) illustrates the ideal rate of output as specified by the machine manufacturers, the maximum printing capacity (with plate changes) offers a more accurate indication of the Processing Facility's actual capacity based on the usual course of printing activities and requirements.

Pursuant to the terms of the Processing Agreement, the Group places printing orders with the Processing Partner who then manufactures such orders at the Processing Facility and delivers the products to the Group in consideration for a processing fee. The Group is responsible for the provision of, among others, machinery, raw materials, technical know-how and training, whilst the Processing Partner is principally responsible for providing the manufacturing plant, ancillary facilities, labour force and carrying out print production. In accordance with the Processing Agreement, which requires approval by certain relevant PRC authorities, all of the printed products manufactured at the Processing Facility are required to be exported out of the PRC. The term of the Processing Agreement is 10 years commencing from 7 March 2005 until 7 March 2015.

The Group has obtained the relevant licences and certifications relating to its business and operations:

Licence/Certification	Issuing organisation	Date of issue	Date of expiry
FSC-STD-40-004(V2-0) Chain of Custody	FSC	2 December 2008	28 November 2012
ISO 9001:2008	BSI Management Systems	19 March 2009	15 March 2012
ISO 14001:2004	BSI Management Systems	19 March 2009	15 March 2012
OHSAS 18001:2007	BSI Management Systems	19 March 2009	15 March 2012

In addition, the Processing Facility has also obtained the following licences and certifications in relation to its operations:

Licence/Certification	Issuing organisation	Date of issue	Date of expiry
印刷經營許可証 (Printing Licence)	廣東省新聞出版局 (Administration of Press and Publication of Guangdong Province)	1 January 2010	31 December 2013
營業執照 (Certificate of business registration)	博羅縣工商行政管理局 (Boluo Administration for Industry and Commerce)	8 June 2005	20 April 2014
廣州省對外來料加工特准營業証 (Guangdong Province Special Licence for Processing with Materials Prepared)	博羅縣工商行政管理局 (Boluo Administration for Industry and Commerce)	8 June 2005	20 April 2014
FSC-STD-40-004(V2-0) Chain of Custody	FSC	12 January 2009	12 November 2012
ISO 9001:2008	BSI Management Systems	19 March 2009	15 March 2012
ISO 14001:2004	BSI Management Systems	19 March 2009	15 March 2012
OHSAS 18001:2007	BSI Management Systems	19 March 2009	15 March 2012
ICTI Code of Business Practices (2009 Version)	ICTI CARE Process	24 October 2010	23 October 2011

In accordance with the recognition of the processing arrangement under the Processing Agreement, the Group is not required to obtain a PRC printing licence as printing is conducted by the Processing Partner. As further advised by the PRC Legal Advisers, the Printing Licence obtained by the Processing Facility only enables it to print such materials for the export market and is not entitled under such licence to distribute such printed materials within the PRC.

For each of the three years ended 31 December 2010, the processing fees payable to the Processing Partner amounted to approximately HK$26.5 million, HK$33.9 million and HK$42.7 million, respectively, representing approximately 10.0%, 10.1% and 10.2% of the direct operating costs of the Group for the respective years.

The Group's principal raw material is paper. For each of the three years ended 31 December 2010, the Group's five largest suppliers accounted for approximately 43.1%, 32.4% and 39.7%, respectively, of the Group's total purchases. The following table sets out a summary of all the companies which featured as one of the Group's top five suppliers in one or all of the three years ended 31 December 2010:

Company	**Principal business activity**	**Years of relationship with the Group**
A	Hong Kong listed paper supplier engaged in the manufacturing, trading and marketing of paper products	6
B	Paper trader and subsidiary of a Hong Kong listed printing company	4
C	Hong Kong based paper agency and distribution company	2
D	Hong Kong based paper trading company	6
E	Hong Kong based paper manufacturing company	4
F	Hong Kong based paper trading company	5
G	Japan based supplier of printing machinery and materials	5
H	Hong Kong based printing services company providing subcontracting printing services	4

COMPETITIVE STRENGTHS

The Directors believe that the following are the key components to the success of the Group:

- long standing business relationships with its major customers, most of whom are reputable international book publishers, trade, professional and educational publishing conglomerates and print media companies. The Directors believe that the strength and depth of the relationships which the Group has built with its customers is a direct result of both its strong focus on customer and sales support and also its ability to manufacture and deliver high quality products in a consistent, timely and efficient manner. Such confidence and assurances in the quality and timeliness of its production offered by the Group enables it not only to retain such customer base but also increase business with its key customers;

- ensuring that the production process is maintained at a maximum possible efficiency from purchase to update of leading commercial printing systems. As at the Latest Practicable Date, the Group had installed leading commercial printing equipment in the Processing Facility which allows the Group to produce approximately 726.9 million impressions (with plate changes) per annum. The Directors consider that the Group's printing system is competitive, flexible and scalable to meet the changing requirements that may arise throughout the expansion of the business;

- development and operation of its in-house developed enterprise resource planning system, which integrates and centralises the information across the Group's entire operation from sales, production, purchasing, inventory, accounting and shipping in order to streamline the internal workflow and enhance the Group's scheduling and production capacity. It offers management key statistics on a real time basis which alerts the Group to any changes in the business and more importantly, to respond accordingly;

- accreditation of international standards of quality management. The Group has sought to ensure that its business and operations are fully compliant with all standards typically required or expected from its international customer base. As such the Group has sought to ensure that the Group and the Processing Facility are accredited with the ISO 9001:200; ISO, ISO 14001:2004 and FSC COC certifications; and

- the Group's senior management having extensive experience in the printing industry.

BUSINESS STRATEGIES

The long-term objective of the Group is to become a leading printing services provider to the export market and a PRC–focused book publishing broker and promoter. To this end, the management of the Company has developed a business strategy with the following key elements:

- increase production capacity and expand market share;

- expand customer base and strengthen sales and marketing force;

- gain traction with the Group's medium-sized publishing customers by offering e-book related products and value-added services; and

- explore and develop the PRC book publishing brokerage and promotion business.

The Group intends to explore and develop the book publishing brokerage and promotion business in the PRC. As a publishing broker and promoter, the Group will act as an intermediary for international book publishers and relevant licenced parties in the PRC. The Group will be responsible for co-ordinating the translation, printing and distribution of books in the PRC but shall not be engaged in any activity which may require specific licences or authorisations in the PRC. The business will be carried through the following activities and arrangements:

- acquisition of foreign language book titles from overseas publishers by a Hong Kong–based subsidiary of the Group or acquisition of overseas publisher(s) which own(s) stock of book titles;

- translation of foreign language book titles into Chinese which will be carried out in Hong Kong or the PRC;

- registration of copyrights of the Chinese version of foreign language books under the Group's name in the PRC and other applicable markets (depending on the progress of the business);

- introduction of Chinese versions of foreign language books to licensed PRC publisher(s) for the latter to publish in the PRC;

- utilisation of the Group's expertise in book printing to assist PRC publisher(s) to identify suitable book printers in the PRC; and

- organisation of marketing and promotion activities of book products.

In the course of developing such operation in the PRC, the Group will not operate as a publisher/printer/distributor of books and will only operate as a promoter or broker.

INFORMATION ON THE RECRUIT GROUP AND ITS RELATIONSHIP WITH THE GROUP

The Group was established in 2005 by Recruit, a company listed on the Stock Exchange (stock code: 550) which is principally engaged in the advertising media business (including recruitment magazine advertising and inflight magazine advertising), printing business and investment trading. As at the Latest Practicable Date, the Company was indirectly owned as to 79.97% by Recruit. However, the Group's business operates independently of and does not rely on the Recruit 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. Further information on the businesses of the Recruit Group is set out in the section headed "Relationship with Controlling Shareholders".

REASONS FOR AND BENEFITS FROM THE SPIN-OFF OF THE COMPANY FROM THE RECRUIT GROUP

As set out in the announcements and shareholders circulars of Recruit dated 30 June 2011, the Recruit Group has concluded that the Group's business has grown to a scale which merits a separate listing and that such listing will be beneficial to the Group for the following reasons:

- enhancing the operational and financial transparency of the Group and providing 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 from the Recruit Group;

- allowing the business of the Group to grow with more focused development and strategic planning outside of the Recruit Group's operations;

- providing a separate fund raising platform to enable the Group to raise the capital required to finance its future expansion without reliance on its intermediate holding company;

- consolidating the financial results of the Group, allowing the Group to continue to benefit from any potential upside of the printing business; and

- offering 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 Group's printing business.

Whilst the Group has operated largely independently of the Recruit Group, during the Track Record Period, the Group has shared certain management personnel and costs and expenses with its parent company. Following the Listing, Recruit's holding in the Company is expected to be reduced to approximately 59.98% of the enlarged issued share capital and all shared costs and expenses will cease. Furthermore and save as disclosed in this prospectus, the Board believes that the Group will be able to operate independently of the Recruit Group as a result of the following:

- Financial independence – the Company will have its own independent internal control and accounting systems, accounting and finance department, treasury function for cash receipts and payments and access to third party financing. Furthermore, all financial support and corporate guarantees provided to the Group by Recruit will be terminated or released after Listing;

- Independence of boards and management – save for Mr. Lau Chuk Kin, who shall be an executive director of both the Company and Recruit, both boards and management will operate independently of each other;

- Clear delineation of business – the Recruit Group will focus on the advertising media business, specifically recruitment magazine advertising and inflight magazine advertising and investment trading and will not engage in the printing services business on which the Group is focused;

- Non-competition undertakings – each of the Group and the Recruit Group shall provide undertakings to each other that they shall not compete with each other on their respective businesses; and

- Directors' interests – each of the Directors has confirmed that they do not have any interests in any business which competes or is likely to compete with the Group.

THE PREFERENTIAL OFFER

In order to enable holders of Recruit Shares to participate in the Share Offer on a preferential basis as to allocation only, Qualifying Recruit Shareholders are being invited to apply for an aggregate of 12,531,836 Reserved Shares (representing approximately 10.0% of Shares initially available under the Share Offer) in the Preferential Offer. Each Qualifying Recruit Shareholder is entitled to apply on the basis of Assured Entitlement for 236 Reserved Shares for every 6,000 Recruit Shares (one board lot of Recruit Shares) held by it as of 4:30 p.m. on the Record Date. The Reserved Shares are being offered out of the Offer Shares and are not subject to the clawback mechanism as described in the section headed "Structure and conditions of the Share Offer – The Public Offer".

Qualifying Recruit Shareholders should note that Assured Entitlements to Reserved Shares may not represent a multiple of a full board lot of 4,000 Shares. Further, the Reserved Shares allocated to the Qualifying Recruit Shareholders will be rounded down to the closest whole number if required, and that dealings in odd lots of the Shares may be at a price below the prevailing market price for full board lots.

USE OF PROCEEDS

Based on the Offer Price of HK$0.80 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), the net proceeds of the Share Offer are expected to be approximately HK$84 million after deducting the underwriting fees and commissions and estimated expenses payable by the Group in relation to the Share Offer.

The Directors intend to use the net proceeds for the following purposes:

- approximately HK$41 million (being approximately 48.8% of net proceeds) for the purchase of new machinery and equipment, including, among others, machinery to increase the Group's year-on-year maximum printing capacity (with plate changes) by approximately 13.0% and 8.9% for the years ending 31 December 2011 and 2012, respectively, as summarised earlier in this section and further detailed in the section headed "Business – Business Strategy";

- approximately HK$30 million (being approximately 35.7% of net proceeds) for the development of the PRC book publishing brokerage and promotion business. As a publishing broker and promoter, the Group will act as an intermediary for international book publishers and relevant licenced parties in the PRC. The Group will be responsible for co-ordinating the translation, printing and distribution of books in the PRC but shall not be engaged in any activities which may require specific licences or authorisations in the PRC. While the existing plan of the Group is to utilise approximately 35.7% of the net proceeds for the book publishing brokerage and promotion business in the PRC, investors should be aware that the Group's ability to execute such business plan may depend on the Group's ability to identify suitable PRC publishing partners that possess the requisite licences and rights to carry out the publishing business in the PRC. For more details on the Group's plans, please refer to the section headed "Business – Business Strategy" of this prospectus;

- approximately HK$5 million (being approximately 6.0% of net proceeds) for the development of the Group's electronic book conversion services; and

- the remaining amount will be used for funding working capital and general corporate purposes.

If the Offer Price is fixed at HK$0.90, being the high end of the stated Offer Price range, the net proceeds will be increased by HK$12.5 million. The Directors currently intend to use such additional proceeds for the development of the PRC book publishing brokerage and promotion business.

If the Offer Price is fixed at HK$0.70, being the low end of the stated Offer Price range, the net proceeds will be decreased by HK$12.5 million. The Directors currently intend to reduce the proceeds used for the development of the PRC book publishing brokerage and promotion business.

SUMMARY OF FINANCIAL INFORMATION

The following table is a summary of the combined results of the Group for each of the three years ended 31 December 2010 which have been extracted from, and should be read in conjunction with, the Accountants' Report.

The summary historical combined financial information set forth below should be read in conjunction with the combined financial statements included in the Accountants' Report set forth in Appendix I to this prospectus, which are prepared in accordance with HKFRS, together with the accompanying notes. The summary historical combined statements of comprehensive income for the years ended 31 December 2008, 2009 and 2010 and the summary historical combined statements of financial position as of 31 December 2008, 2009 and 2010 set forth below are derived from the Group's combined financial statements that have been audited by BDO Limited and included in the Accountants' Report.

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 at 31 December		
	2008	**2009**	**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	220	84	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-current liabilities			
Finance lease liabilities	5,513	1,103	12,814
Deferred tax liabilities	2,400	7,628	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

RESULTS OF OPERATIONS

The Group's revenue is generated almost entirely from the sale of book printing services. Books printed by the Group are exported to a wide range of markets in the world, however, the majority of the Group's revenues are generated from three key countries, the U.S., Australia and the U.K. For each of the three years ended 31 December 2010, sales to these three countries accounted for approximately 83.2%, 82.4% and 76.5% of the Group's revenue. The Group's cumulative sales to the U.S., Australia and the U.K. have grown at a CAGR of approximately 20.3% during the Track Record Period, whilst cumulative sales to other countries have grown at a CAGR of approximately 48.7% during the same period. The growth in revenue during the Track Record Period was mainly attributable to the growth in sales orders. Other income, which is composed principally of sales of recyclable materials such as paper and zinc plates, grew from approximately HK$15.0 million in 2008 to approximately HK$29.5 million in 2010, principally due to the growth in sales orders which in turn increased the volume of recyclable materials used, as well as an increase in the price of such materials.

In each of the three years ended 31 December 2010, gross profit margin was approximately 20.2%, 24.9% and 19.6%. The fluctuation in gross profit margin during the Track Record Period was principally due to fluctuations in foreign exchange receipts. As the Group's customers are internationally based, the Group's sales are denominated in a number of major international currencies. As such, the growth in gross profit margin in 2009 was principally due to the appreciation of the Australian dollar against the Hong Kong dollar whilst the return of the gross profit margin in 2010 to a level comparable to that of 2008 was a result of less significant appreciation of the Australian dollar against the Hong Kong dollar.

The Group recorded net current liabilities of approximately HK$60.0 million and HK$35.4 million as at 31 December 2008 and 31 December 2009, respectively. The net current liabilities positions were principally attributed to the utilisation of bank borrowings and amounts due to intermediate holding company to finance business operations and capital expenditure for the respective financial periods. For details, please refer to the section "Financial information" in this prospectus.

The Directors have confirmed that as at 31 December 2010, the Group was at a net current asset position of approximately HK$121.5 million as a result of capitalisation exercise in respect of the issue of new shares of 1010 Group. On 7 April 2010, 480,000,000 ordinary shares of 1010 Group of HK$0.10 each were issued at HK$0.30 per share to two existing shareholders of 1010 Group. 407,273,000 ordinary shares were subscribed by Recruit (BVI), the immediate holding company of 1010 Group and the proceeds of HK$122,182,000 were settled through its current accounts with Recruit. The remaining 72,727,000 ordinary shares were subscribed for by Mr. Chen Huang Zhi, one of the minority shareholders of 1010 Group and the proceeds of HK$21,818,000 were received in cash.

DIVIDEND POLICY

For the three years ended 31 December 2010, the dividends declared by the Group to Recruit and minority shareholders of subsidiaries amounted to HK$4.3 million, HK$nil and HK$30.0 million, respectively. Subsequent to the year ended 31 December 2010, the Group also declared a dividend of HK$20.0 million. As at the Latest Practicable Date, all outstanding dividends payable had been fully settled.

The amount of dividend declared by the Board in the future will depend upon the Group's: (a) overall results of operation; (b) financial position; (c) capital requirements; (d) shareholders' interests; (e) future prospects; and (f) other factors that the Board deems relevant. The Board has not determined any target dividend payout rate after Listing. Any declaration and payment as well as the amount of dividends will be subject to the Company's constitutional documents and the Companies Act, including, among others, the approval of the Shareholders.

RISK FACTORS

Risks relating to the business of the Group

- Reliance on major customers
- Reliance on the U.S., Australian and the U.K. markets
- Reliance on the Processing Agreement and the Processing Facility
- Reliance on the Processing Partner
- Major disruptions, damage or destruction to the Group's equipment and machineries and/or the Processing Facility
- Reliance on sub-contractors
- Reliance on key personnel
- Foreign exchange exposure
- Reliance on major suppliers
- Fluctuations in raw materials prices

- Seasonal fluctuations in turnover
- Ability to sustain gross margin, operating profit margin and net profit margin
- Quality and safety standards and labour laws of the PRC in respect of the Processing Facility
- Environmental protection laws and regulations
- Regulatory licences and permits
- Net current liabilities as at 31 December 2008 and 2009
- Net cash outflow in operating activities as at 31 December 2008
- Working capital management
- Hong Kong taxation
- PRC taxation
- Ability to achieve business objectives for future growth
- No previous experience in book publishing brokerage and promotion business in the PRC

Risks relating to the printing industry

- Competition
- Technological developments in the printing industry
- New forms of information dissemination
- Lack of growth in the consumer market or general market downturn

Risks relating to the PRC

- Political considerations of Hong Kong
- Currency peg system in Hong Kong
- Economic, political and social considerations
- Appreciation of or fluctuations in foreign currencies relevant to the Group
- Changes and uncertainties in the PRC legal system
- PRC labour costs
- Outbreak of a contagious or epidemic disease

Risks relating to the Share Offer

- There has been no prior public market for Shares in the Company
- The trading volume and market price of the Shares in the Company may be volatile
- The Company's share price may be affected if additional Shares are issued by the Company and/or sold by the Controlling Shareholders
- The Company's historical dividend policy is not indicative of its future dividend policy
- Additional funding may be required for future growth
- Industry statistics contained in this prospectus may not be accurate
- Reliance on any information contained in press articles or other media regarding the Group and the Share Offer
- There is a possibility that forward-looking statements contained in this prospectus may not materialise

SHARE OFFER STATISTICS

	Based on an Offer Price of HK$0.70 per Offer Share	**Based on an Offer Price of HK$0.90 per Offer Share**
Market capitalisation *(Note 1)*	HK$350 million	HK$450 million
Unaudited pro forma adjusted net tangible asset value per Share *(Note 2)*	HK$0.74	HK$0.79
Historical price/earnings multiple on pro forma fully diluted basis *(Note 3)*	5.7 times	7.3 times

Notes:

1. The calculation of market capitalisation is based on a total of 500,000,000 Shares expected to be in issue immediately after completion of the Share Offer but without taking into account any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this prospectus.

2. The unaudited pro forma adjusted net tangible asset value per Share has been arrived at after having made the adjustments set out in Appendix I to this prospectus and on the basis of a total of 500,000,000 Shares in issue immediately after completion of the Share Offer but without taking into account any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this prospectus.

3. The calculation of historical price/earnings multiple on a pro forma fully diluted basis is based on the fully diluted earnings per Share of approximately HK$0.1234 for the financial year ended 31 December 2010 at the respective Offer Prices of HK$0.70 and HK$0.90 and based on the assumption set out in note 1 above.