

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from BMI Appraisals Limited, an independent valuer, in connection with its valuations as at 30 April 2011 of the properties leased by the Group in Hong Kong, the United Kingdom and Australia.*

## **BMI APPRAISALS**

BMI Appraisals Limited 中和邦盟評估有限公司

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30 June 2011

The Directors

**1010 Printing Group Limited**

Suite 1704, 17/F

No. 625 King's Road

North Point

Hong Kong

Dear Sirs,

### **INSTRUCTIONS**

We refer to the instructions from 1010 Printing Group Limited (the “Company”) for us to value the properties leased by the Company and/or its subsidiaries (together referred to as the “Group”) located in Hong Kong, United Kingdom (the “UK”) and Australia. We confirm that we have performed inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 April 2011 (the “date of valuation”).

### **BASIS OF VALUATION**

Our valuations of the concerned properties have been based on the Market Value, which is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

**PROPERTY CATEGORIZATION**

In the course of our valuations, the portfolio of properties of the Group is categorized into the following groups:

- Group I – Property leased by the Group in Hong Kong
- Group II – Property leased by the Group in the UK
- Group III – Property leased by the Group in Australia

**VALUATION METHODOLOGY**

In valuing the properties leased by the Group, we are of the opinion that they have no commercial value either because of their non-assignability in the open market or there are prohibitions against assignment and/or subletting contained in the tenancy agreements or the lack of marketable and substantial profit rents.

**TITLE INVESTIGATION**

We have not searched the titles of the properties and have not scrutinized the original title documents to verify ownership or to ascertain the existence of any amendments, which do not appear on the copies handed to us. However, we have been provided with a copy of the tenancy agreements of the properties leased by the Group. All documents have been used for reference only.

**VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the properties are sold in the open market in their existing states without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the properties.

In addition, no account has been taken of any option or right of pre-emption concerning of effecting sale of the properties and no forced sale situation in any manner is assumed in our valuations.

**VALUATION CONSIDERATIONS**

We have inspected the exterior and wherever possible, the interior of the properties. During the course of our inspections, we did not note any serious defects. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the properties. We are, therefore, unable to report that the properties are free from rot, infestation or any other structural defects.

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the properties but have assumed that the floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on the Group's confirmation that no material facts have been omitted from the information so supplied. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature, which could affect their values.

Our valuations have been prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **REMARKS**

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (HK\$) and no allowances have been made for any exchange transfers.

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,  
For and on behalf of  
**BMI APPRAISALS LIMITED**

**Dr. Tony C.H. Cheng**  
*BSc., MUD, MBA(Finance), MSc.(Eng), PhD(Econ),  
MHKIS, MCI Arb, AFA, SIFM, FCIM,  
MASCE, MIET, MIEEE, MASME, MIIIE  
Managing Director*

**Joannau W.F. Chan**  
*BSc., MSc., MRICS, MHKIS, RPS(GP)  
Senior Director*

### *Notes:*

Dr. Tony C.H. Cheng is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 18 years' experience in valuations of properties in Hong Kong and Australia and over 5 years in the United Kingdom.

Ms. Joannau W.F. Chan is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 18 years' experience in valuations of properties in Hong Kong over 3 years in the United Kingdom and over 8 years' experience in Australia.

## SUMMARY OF VALUES

No. Property	Market Value in existing state as at 30 April 2011 HK\$
<i>Group I – Property leased by the Group in Hong Kong</i>	
1. Suite 1704 on 17th Floor, No. 625 King’s Road, North Point, Hong Kong	No Commercial Value
<b>Sub-total:</b>	<b>Nil</b>
<i>Group II – Property leased by the Group in the UK</i>	
2. 4 Crescent Stables, No. 139 Richmond Road, London, SW15 2TN, The United Kingdom	No Commercial Value
<b>Sub-total:</b>	<b>Nil</b>
<i>Group III – Property leased by the Group in Australia</i>	
3. Suite 1 (B), No. 41 Park Road, Milton, Queensland, Australia	No Commercial Value
<b>Sub-total:</b>	<b>Nil</b>
<b>Total:</b>	<b>Nil</b>

## VALUATION CERTIFICATE

*Group I – Property leased by the Group in Hong Kong*

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2011 HK\$
1.	Suite 1704 on 17th Floor, No. 625 King's Road, North Point, Hong Kong	<p>The property comprises an office unit on the 17th floor of a 26-storey office building (plus 2 levels of basement) which was completed in 1998.</p> <p>The saleable area of the property is approximately 1,648 sq.ft. (or about 153.1 sq.m.).</p> <p>Pursuant to a tenancy agreement and its deeds of assignment entered into between an independent third party landlord, various tenants (as assignors) and 1010 Printing International Limited (as assignee) ("1010 PIL"), the property is leased to 1010 PIL for office use for a term commencing on 1 February 2011 and expiring on 26 April 2012 at a monthly rent of HK\$46,140 exclusive of air-conditioning and management charges.</p>	The property is occupied by the Group for office purpose.	No Commercial Value

*Note:*

Pursuant to the aforesaid tenancy agreement, the tenant of the property is 1010 Printing International Ltd., which is a wholly owned subsidiary of the Company.

## VALUATION CERTIFICATE

*Group II – Property leased by the Group in the UK*

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2011 HK\$
2.	4 Crescent Stables, No. 139 Richmond Road, London, SW15 2TN, The United Kingdom	The property comprises a portion of a 3-storey commercial building which was completed in about 1988.  The gross floor area of the property is approximately 1,033 sq.ft. (or about 96 sq.m.).  Pursuant to a tenancy agreement entered into between an independent third party landlord and 1010 Printing UK Limited (“1010 UK”) dated 1 May 2009, the property is leased to 1010 UK for office use for a term of 5 years commencing on 1 May 2009 and expiring 30 April 2014. The annual rent currently paid by the Group is GBP23,000.	The property is occupied by the Group for office purpose.	No Commercial Value

*Note:*

Pursuant to the aforesaid tenancy agreement, the tenant of the property is 1010 UK, which is a 98.5%-owned subsidiary of the Company.

## VALUATION CERTIFICATE

*Group III – Property leased by the Group in Australia*

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2011 HK\$
3.	Suite 1 (B), No. 41 Park Road, Milton, Queensland, Australia	The property comprises a retail shop on the 1st floor of a 2-storey commercial building which was completed in the 1990's.	The property is occupied by the Group for office purpose.	No Commercial Value
		The gross floor area of the property is approximately 68 sq.m. (or about 732 sq.ft.).		
		Pursuant to a contract of lease and an extension of lease deed entered into between independent third party landlords and 1010 Printing (Australia) Pty Ltd ("1010 Australia") dated 13 February 2009 and 14 February 2010, the property is leased to 1010 Australia for commercial office use for a term of 2 years commencing on 13 February 2010 and expiring 12 February 2012. The annual rent currently paid by the Group is AUD29,613.15 exclusive of GST.		

*Note:*

Pursuant to the aforesaid contract of lease, the tenant of the property is 1010 Australia, which is a wholly-owned subsidiary of the Company.