

**A. FURTHER INFORMATION ABOUT THE COMPANY****1. Incorporation**

The Company was incorporated in Bermuda under the Companies Act as an exempted company on 9 March 2011. The Company has established its principal place of business in Hong Kong at Suite 1704, 17/F, 625 King's Road, North Point, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 21 June 2011 with Mr. Lau Chuk Kin and Ms. Tan Lai Ming, who reside in Hong Kong, appointed as the authorised representatives of the Company for the acceptance of service of process in Hong Kong. As the Company was incorporated in Bermuda, it is subject to the Companies Act and its constitutional documents which comprise the Memorandum and the Bye-Laws. A summary of certain parts of the Company's constitution and relevant aspects of Bermuda company law is set forth in Appendix IV to this prospectus.

**2. Changes in share capital of the Company**

- (a) The authorised share capital of the Company as at the date of its incorporation was HK\$100,000 divided into 10,000,000 Shares of HK\$0.01 each, of which 1 Share was issued and allotted nil paid to Recruit (BVI) on 16 March 2011.
- (b) On 20 June 2011, Recruit (BVI), the sole shareholder of the Company resolved to increase the authorised share capital of the Company from HK\$100,000 to HK\$10,000,000 by the creation of an additional of 990,000,000 Shares.
- (c) On 20 June 2011, in consideration of the acquisition by the Company of the entire issued share capital of 1010 Group, the Company issued and allotted 299,894,906, 56,818,055, 9,143,519 and 9,143,519 Shares to Recruit (BVI), Chen Huang Zhi, Cheung Ning and Pang Tak Hung respectively, all credited as fully paid, and credited as fully paid at par the one nil paid Share held by Recruit (BVI).
- (d) Assuming that the Share Offer becomes unconditional, the authorised share capital of the Company will be HK\$10,000,000 divided into 1,000,000,000 Shares and the issued share capital of the Company will be HK\$5,000,000 divided into 500,000,000 Shares, all fully paid or credited as fully paid, with 500,000,000 Shares remaining unissued, immediately after completion of the Share Offer. Other than pursuant to the exercise of any options which may be granted under a share option scheme, there is no present intention to issue any part of the authorised but unissued share capital of the Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as aforesaid and as mentioned in the paragraph headed “3. Written resolutions of the Shareholders” below, there has been no alteration in the share capital of the Company since its incorporation.

### 3. Written resolutions of the Shareholders

- (a) Resolutions in writing of the sole Shareholder passed on 20 June 2011 whereby:
- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$10,000,000 by the creation of an additional 990,000,000 Shares to rank pari passu with the then existing Shares in all respects;
  - (ii) the acquisition by the Company of the entire issued share capital of 1010 Group was approved and in consideration of the acquisition, the Directors were authorised to allot and issue 299,894,906, 56,818,055, 9,143,519 and 9,143,519 Shares respectively to Recruit (BVI), Chen Huang Zhi, Cheung Ning and Pang Tak Hung respectively, all credited as fully paid, and to credit as fully paid at par the one nil paid Share held by Recruit (BVI);
- (b) Further resolutions in writing of the Shareholders passed on 23 June 2011 whereby:
- (i) conditional upon the satisfaction of the conditions as stated in the section headed “Structure and conditions of the Share Offer” in the prospectus, the Share Offer was approved and the Directors were authorised to issue and allot the Offer Shares;
  - (ii) an unconditional general mandate was given to the Directors to allot, issue and deal with Shares (including the power to make an offer or agreement or grant an option which would or might require Shares to be allotted and issued), provided that the aggregate nominal value of the Shares allotted or agreed to be allotted pursuant to such general mandate, otherwise than pursuant to (1) a rights issue; or (2) pursuant to any scrip dividend schemes; or (3) the exercise of any subscription warrants which may be issued by the Company from time to time; or (4) pursuant to the exercise of options under a share option scheme; or (5) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-Laws, shall not exceed the sum of (1) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Share Offer; and (2) the total amount of the share capital of the Company repurchased by the Company (if any) pursuant to the repurchase mandate granted under resolution (iii) below, such mandate to remain in effect until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;

- (iii) a general unconditional mandate was given to the Directors authorising them to exercise all the powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Share Offer, such mandate to remain in effect until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;
- (iv) the unconditional general mandate mentioned in paragraph (ii) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the mandate to repurchase Shares referred to in paragraph (iii) above provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue and to be issued pursuant to the Share Offer; and
- (v) the Bye-Laws were approved and adopted.

#### **4. Corporate reorganisation**

The companies comprising the Group underwent a reorganisation in preparation for the Listing. Following the Reorganisation, the Company has become the holding company of the Group. The Reorganisation involved the following:

- (a) the Company was incorporated on 9 March 2011;
- (b) on 16 March 2011, the one nil paid Share was issued to Recruit (BVI);
- (c) the transfer of the entire equity interest in Mega Form Inc. Limited from 1010 Group to Recruit (BVI) at a consideration of HK\$1;
- (d) the increase in the authorised share capital of the Company from HK\$100,000 to HK\$10,000,000 by the creation of an additional 990,000,000 Shares on 20 June 2011; and

- (e) the acquisition of the entire issued share capital of 1010 Group by the Company from Recruit (BVI), Chen Huang Zhi, Cheung Ning and Pang Tak Hung on 20 June 2011 in consideration of the issue and allotment of 299,894,906, 56,818,055, 9,143,519 and 9,143,519 Shares, all credited as fully paid, to Recruit (BVI), Chen Huang Zhi, Cheung Ning and Pang Tak Hung respectively and crediting as fully paid at par the one nil paid Share held by Recruit (BVI).

## 5. Changes in share capital of subsidiaries of the Company

The Company's subsidiaries are referred to in the Accountants' Report, the text of which is set forth in Appendix I to this prospectus.

Save as mentioned in the paragraph headed "4. Corporate reorganisation" in this appendix, there has been no alteration in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this prospectus.

## 6. Repurchase by the Company of its own securities

### (a) Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their equity securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### (i) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction. The Company's sole listing will be on the Stock Exchange.

(Note: Pursuant to a resolution in writing passed by the shareholders of the Company on 23 June 2011, a general unconditional mandate ("**Repurchase Mandate**") was given to the Directors authorising any repurchase by the Company on the Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, Shares of up to 10% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Share Offer, such mandate to expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held; or (c) when revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.)

(ii) Source of funds

Repurchases must be funded out of funds legally available for such purpose in accordance with the Bye-Laws and the applicable laws of Bermuda. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Any repurchase by the Company may be made out of funds legally permitted to be utilised in this connection, including capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. Any premium payable on a repurchase over the par value of the Shares to be purchased must be paid out of either funds of the Company that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus of the Company.

(iii) Shares to be repurchased

The Listing Rules provide that the Shares which are proposed to be repurchased by a company must be fully paid up.

*(b) Reasons for repurchases*

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

*(c) Funding of repurchases*

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and the Bye-Laws, the Listing Rules and the applicable laws of Bermuda.

*(d) Exercise of the Repurchase Mandate*

Exercise of the Repurchase Mandate in full, on the basis of 500,000,000 Shares in issue immediately after completion of the Share Offer, could accordingly result in up to 50,000,000 Shares being repurchased by the Company during the course of the period prior to the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held; or

- (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting.

(e) *General*

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position to be disclosed in this prospectus) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors may from time to time be appropriate for the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code and the provision may apply as a result of any such increase. If the Repurchase Mandate is fully exercised immediately following completion of the Share Offer, the total number of Shares which will be repurchased pursuant to the Repurchase Mandate shall be 50,000,000 Shares (being 10% of the issued share capital of the Company based on the aforesaid assumptions). The percentage shareholding of Recruit (BVI), a Controlling Shareholder of the Company, will be increased to around 66.6% of the issued share capital of the Company immediately following the full exercise of the Repurchase Mandate. Save as aforesaid, the Directors are not aware of any consequences of the repurchases which would arise under the Takeovers Code. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as to result in an insufficient public float as prescribed under the Listing Rules.

**B. FURTHER INFORMATION ABOUT THE BUSINESS****1. Summary of material contracts**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this prospectus and are or may be material:


- a. an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Recruit (BVI) transferred 647,773,000 shares in 1010 Group to the Company in consideration of the issue and allotment of 299,894,906 Shares and the crediting as fully paid the one nil-paid share;
- b. an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Chen Huang Zhi transferred 122,727,000 shares in 1010 Group to the Company in consideration of the issue and allotment of 56,818,055 Shares to him;
- c. an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Cheung Ning transferred 19,750,000 shares in 1010 Group to the Company in consideration of the issue and allotment of 9,143,519 Shares to him;
- d. an instrument of transfer and bought and sold notes dated 20 June 2011 whereby Pang Tak Hung transferred 19,750,000 shares in 1010 Group to the Company in consideration of the issue and allotment of 9,143,519 Shares to him;
- e. an instrument of transfer and bought and sold notes dated 19 April 2011 whereby 1010 Group transferred 1 share in Mega Form Inc. Limited to Recruit (BVI) at a consideration of HK\$1.00;
- f. the share swap agreement dated 20 June 2011 entered into between Recruit (BVI), Chen Huang Zhi, Cheung Ning, Pang Tak Hung and the Company for the transfer of the entire share capital of 1010 Group to the Company in consideration of and exchange for the issue and allotment of 299,894,906, 56,818,055, 9,143,519 and 9,143,519 Shares credited as fully paid respectively by the Company to Recruit (BVI), Chen Huang Zhi, Cheung Ning and Pang Tak Hung and the crediting as fully paid the one nil-paid Share held by Recruit (BVI);
- g. the deed of reorganization dated 20 June 2011 entered into between Recruit (BVI), Chen Huang Zhi, Cheung Ning, Pang Tak Hung, 1010 Group and the Company for the purpose of agreeing, acknowledging and adopting the Reorganisation;
- h. the Non-competition Deed, further details of which are set out in the section headed “Relationship with Controlling Shareholders – Independence from Recruit – (d) Non-competition undertakings” in this prospectus;

- i. the Public Offer Underwriting Agreement, further details of which are set out in the section headed “Underwriting” in this prospectus;
- j. the deed of indemnity dated 30 June 2011, further details of which are set out in “D. Other information – 1. Indemnity” in this appendix.

## 2. Intellectual property of the Group

### 2.1 Trademark

As at the Latest Practicable Date, the Group had the following registered trademark:

Trademark	Place of application	Registration Class	Registration no.	Registration date
	Hong Kong	16, 40 and 41	301749538	29 October 2010

*Note:*

- 1. Class 16: Diaries, books, cards, calendars, leaflet, booklets, comic books, postcard, journals, instructional manuals, boxes

Class 40: Printing of the printed books and other paper materials

Class 41: Publishing of the printed books and other paper materials

### 2.2 Domain names

As at the Latest Practicable Date, the Group had registered the following domain name:

Domain name	Registered owner	Expiry date
www.1010printing.com	1010 Group	21 June 2013



## C. FURTHER INFORMATION ABOUT THE DIRECTORS, MANAGEMENT AND STAFF

## 1. Disclosure of interests

## (a) DIRECTORS

Immediately following completion of the Share Offer, assuming that none of the Qualifying Recruit Shareholders take up any Reserved Shares under the Preferential Offer, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

## (i) Long positions in Shares and underlying Shares

Name of Director	Capacity	Number and class of securities (Note 1)	Appropriate percentage of issued Shares (%)
Lau Chuk Kin (Note 2)	Interest in a controlled corporation	299,894,907 (L)	59.98

## (ii) Long positions in the shares of Recruit, an associated corporation of the Company

Name of Director	Capacity	Number and class of securities	Appropriate percentage of issued shares (%)
Choi Ching Kam, Dora	Beneficial owner	300,000	0.09

## Notes:

- (1) The letter "L" denotes the Director's long position in the shares or underlying shares.
- (2) Recruit (BVI), a 59.98% shareholder of the Company upon Listing, is wholly and beneficially owned by Recruit, which, as at the Latest Practicable Date, was owned as to 55.85% by City Apex Limited, as to 0.60% by ER2 Holdings Limited and as to 0.89% by Mr. Lau Chuk Kin personally. ER2 Holdings Limited is the ultimate holding company of City Apex Limited. Mr. Lau beneficially owned 67% of the issued share capital of ER2 Holdings Limited and accordingly, Mr. Lau is deemed to be interested in the Shares owned by Recruit (BVI) pursuant to Part XV of the SFO.

*(b) SUBSTANTIAL SHAREHOLDERS*

So far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company), will, following completion of the Share Offer, assuming that none of the Qualifying Recruit Shareholders take up any Reserved Shares under the Preferential Offer, have an interest or a short position in the Shares or underlying Shares 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 is, directly or indirectly to be 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 the Company or any of its subsidiaries:

Name	Capacity	Number and class of securities (Note 1)	Approximate percentage of issued Shares (%)
Recruit (BVI)	Beneficial owner	299,894,907 Shares (L)	59.98
Recruit (Note 2)	Interest in controlled corporation	299,894,907 Shares (L)	59.98
City Apex Limited (Note 3)	Interest in controlled corporation	299,894,907 Shares (L)	59.98
ER2 Holdings Limited (Note 3)	Interest in controlled corporation	299,894,907 Shares (L)	59.98
Chen Huang Zhi	Beneficial owner	56,818,055 Shares (L)	11.36

*Notes:*

- (1) The letter "L" denotes the person's long position in the Shares of the Company.
- (2) Recruit (BVI) is wholly and beneficially owned by Recruit.
- (3) As at the Latest Practicable Date, Recruit was owned as to 55.85% by City Apex Limited which is in turn owned as to 77% by ER2 Holdings Limited. Each of City Apex Limited and ER2 Holdings Limited is therefore deemed to be interested in the Shares pursuant to Part XV of the SFO.

Save as disclosed above, the Directors are not aware of any person who will, immediately following completion of the Share Offer, assuming that none of the Qualifying Recruit Shareholders take up any Reserved Shares under the Preferential Offer, have an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, be 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 the Company or any of its subsidiaries.

## 2. Particulars of the Directors' service contracts

- (a) Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing on the Listing Date and may be terminated by not less than three months' notice in writing served by either party on the other.

The annual basic salary payable to each of the executive Directors is as follows:

<b>Executive Directors</b>	<i>HK\$</i>
Mr. Yang Sze Chen, Peter	1,200,000
Mr. Lau Chuk Kin	900,000
Ms. Choi Ching Kam, Dora	660,000

The basic salary of each of the executive Directors will be reviewed by the Board at the end of each financial year.

Each of the executive Directors will also be entitled to reimbursement for reasonable traveling, hotel, entertainment and other expenses properly incurred in the performance of his/her duties under the relevant service contract.

- (b) Each of the independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing on the Listing Date and may be terminated by giving three months' notice in writing in respect thereof by either party to the other.

The annual fees payable to each of the independent non-executive Directors is as follows:

<b>Independent non-executive Directors</b>	<i>HK\$</i>
Mr. Yeung Ka Sing	180,000
Prof. Lee Hau Leung	120,000
Mr. Tsui King Chung, David	180,000
Dr. Ng Lai Man, Carmen	180,000

Each of the independent non-executive Directors will also be entitled to reimbursement for reasonable and out-of-pocket expenses (including traveling expenses) properly incurred in the performance of his/her duties under the relevant appointment letter.

## 3. Directors' remuneration

Remuneration and benefits in kind of approximately HK\$0.9 million in aggregate were paid and granted by the Group to the Directors for the year ended 31 December 2010.

Under the current arrangements, the aggregate remuneration and benefits in kind which the Directors including independent non-executive Directors are entitled to receive for the financial year ending 31 December 2011, excluding the discretionary bonuses payable to the executive Directors, are expected to be approximately HK\$2.5 million.

**4. Agency fees or commission**

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Share or loan capital of the Company or any of its subsidiaries.

**5. Corporate and personal guarantees**

Recruit, Mr. Chen Huang Zhi, Mr. Cheung Ning and Mr. Pang Tak Hung have provided guarantees in favour of certain banks for banking facilities granted to certain members of the Group. The Directors have confirmed that the relevant banks have agreed in principle to release or replace all such guarantees with guarantees or other securities from the Company or other member of the Group after Listing.

**6. Disclaimers**

Save as disclosed in this prospectus:

- (a) none of the Directors or chief executive has any interest and short positions in the shares or debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, in each case once the Shares are listed;
- (b) save as disclosed in the paragraph headed “2. Particulars of the Directors’ service contracts” above, there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any of the Group’s members;
- (c) none of the Directors and the experts named in the paragraph headed “D. Other information – 6. Consents of experts” in this appendix has an direct or indirect interest in the promotion of the Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any of the Group’s members, or are proposed to be acquired or disposed of by or leased to any of the Group’s members;
- (d) none of the Directors is materially interested in any contract or arrangement subsisting as at the date of this prospectus which is significant in relation to the Group’s business taken as a whole;

- (e) taking no account of any Shares which may be taken up or acquired under the Share Offer, assuming that none of the Qualifying Recruit Shareholders take up any Reserved Shares under the Preferential Offer, the Directors are not aware of any person who immediately following completion of Share Offer will have an interest or short position in the Shares and underlying Share 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 is, either 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 the general meeting of the Company or any other member of the Group; and
- (f) none of the experts named in the paragraph headed “D. Other information – 6. Consents of experts” in this appendix has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## D. OTHER INFORMATION

### 1. Indemnity

Recruit (BVI), Mr. Chen Huang Zhi, Mr. Cheung Ning and Mr. Pang Tak Hung (collectively, the “**Indemnifiers**”) have entered into a deed of indemnity in favour of the Company to provide (conditional on the Share Offer becoming unconditional in accordance with the section headed “Structure and conditions of the Share Offer” in this prospectus on or before the date as stated therein) indemnities on a joint and several basis, to the extent applicable, in respect of, among other matters:

- (i) any duty which is or becomes payable by any member of the Group by virtue of section 35 and/or section 43 of the Estate Duty Ordinance (Chapter 111 of the Law of Hong Kong) (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) by reason of the death of any person and by reason of the assets of any member of the Group or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death by reason of that person making or having made a relevant transfer to any member of the Group at any time on or before the Listing Date;
- (ii) any amount recovered against any member of the Group under the provisions of section 43(7) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) in respect of any duty payable under sections 43(1)(c) or 43(6) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) by reason of the death of any person and by reason of the assets of any member of the Group or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death by reason of that person making or having made a relevant transfer to any member of the Group at any time on or before the Listing Date;

- (iii) any amount of duty which any member of the Group is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) in respect of the death of any person in any case where the assets of another company or any of them are deemed for the purpose of estate duty to be included in the property passing on that person's death by reason of that person making or having made a relevant transfer to that other company and by reason of any member of the Group having received any distributed assets of that other company on their distribution within the meaning of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong), in each case at any time on or before the Listing Date, but only to the extent to which any member of the Group is unable to recover an amount or amounts in respect of that duty from any other person under the provisions of section 43(7)(a) of the Estate Duty Ordinance (or the equivalent thereof under the laws of any jurisdiction outside Hong Kong);
- (iv) any amount of taxation falling on any member of the Group resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the Listing Date, whether or not such taxation is chargeable against or attributable to any other person, firm or company;
- (v) any amount of surtaxes and penalties imposed on any member of the Group relating to any enterprise income tax liability or any tax obligations under the relevant PRC laws and regulation on or before the Listing Date; and
- (vi) any losses, liabilities or damages suffered by any member of the Group arising out of or in connection with any non-compliance or alleged non-compliance by any member of the Group (if any) with any applicable rules and regulations in Hong Kong, the PRC, Bermuda, the BVI, the United Kingdom, the European Union (or any member thereof), Australia, the United States or any other part of the world in the course of its business of such non-compliance or alleged non-compliance occurred on or before the Listing Date.

The Indemnifiers shall however be under no liability thereunder: -

- (i) to the extent that full provision has been made for such taxation or claims in the audited combined accounts of the Company or the audited accounts of the relevant member of the Group as at 31 December 2010 (the “**Accounts**”);
- (ii) for any liability falling on any member of the Group as a result of any event occurring or income or profits earned, accrued or received or alleged to have been earned, accrued or received or transactions entered into in respect of any accounting period commencing on or after 1 January 2011 unless such liability would not have arisen but for some act or omission or transactions entered into by the Indemnifiers or any member of the Group (whether alone or in conjunction with some other act, omission or transaction whenever occurring) otherwise than in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets;

- (iii) to the extent that such taxation or liability would not have arisen but for any act or omission by any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected without the prior written consent or agreement of the Indemnifiers, otherwise than in the ordinary course of business after the date thereof or carried out, made or entered into pursuant to a legally binding commitment created before the date thereof;
- (iv) to the extent that such taxation or taxation claim arise(s) or is/are incurred as a consequence of any retrospective change in the law or regulations or practice by the Hong Kong Inland Revenue Department or the tax authorities of the PRC or any other tax or government authorities in any other part of the world coming into force after the date thereof or to the extent that such taxation or taxation claim arises or is increased by an increase in rates of taxation after the date thereof with retrospective effect; and to the extent that such claims arise(s) or is/are incurred as a consequence of any retrospective change in law or the interpretation or practice thereof in Hong Kong, the PRC, Bermuda, the BVI, the United Kingdom, the European Union (or any member thereof), Australia, the United States or any other part of the world coming into force after the date thereof;
- (v) to the extent of any provision or reserve made for such claims in the Accounts which is finally established to be an over-provision or an excessive reserve, provided that the amount of any such provision or reserve applied pursuant thereto to reduce the Indemnifiers' liability in respect of taxation or taxation claims shall not be available in respect of any such liability arising thereafter; and
- (vi) to the extent that such liability is discharged by another person who is not any member of the Group and that no member of the Group is required to reimburse such person in respect of the discharge of such liability.

## **2. Litigation**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any of its members.

## **3. Sponsor**

The Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, on the Main Board, the Shares in issue and to be issued pursuant to the Share Offer as mentioned in this prospectus.

**4. Preliminary expenses**

The estimated preliminary expenses of the Company are approximately HK\$16 million and are payable by the Company.

**5. Promoters**

The promoter of the Company is Recruit (BVI). No amount or benefit has been paid or given to the promoter in connection with the Share Offer or related transactions described in this prospectus within the two years preceding the date of this prospectus.

**6. Consents of experts**

Each of BDO Limited, BMI Appraisals, Conyers Dill & Pearman, DibbsBarker, Investec, Kidd Rapinet, The Law Firm of James Scott Yoh and Zhong Lun Law Firm, has given and has not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, valuation certificates, letters, or opinions (as the case may be) and the references to their names or summaries of opinions included herein in the form and context in which they respectively appear.

<b>Name</b>	<b>Qualification</b>
BDO Limited	Certified Public Accountants
BMI Appraisals	Property valuers
Conyers Dill & Pearman	Bermuda Barristers & Attorneys
DibbsBarker	Australian legal advisers
Investec Capital Asia Limited	a licensed corporation under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities for the purposes of the SFO
Kidd Rapinet	English legal advisers
The Law Firm of James Scott Yoh	U.S. legal advisers
Zhong Lun Law Firm	PRC legal advisers

**7. Binding effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.



**8. Taxation of holders of Shares***(a) Hong Kong*

Dealings in Shares registered on the Company's Hong Kong register of members will be subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

*(b) Bermuda*

Under the present Bermuda law, transfers and other disposals of Shares are not subject to Bermuda stamp duty.

*Consultation with professional advisers*

Intended holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of the Company, the Directors or the other parties involved in the Share Offer will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

**9. Miscellaneous***(a) Save as disclosed in this prospectus:**(i) within two years preceding the date of this prospectus:*

*(aa) no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;*

*(bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;*

*(ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;*

- (iii) there has been no material adverse change in the Group's financial position or prospects in the last 12 months; and
  - (iv) there has not been any interruption in the business of the Group which has had a material adverse effect on the financial position of the Group in the 24 months preceding the date of this prospectus.
- (b) The Company has no founder shares, management shares or deferred shares.
  - (c) The register of members of the Company will be maintained in Bermuda by Butterfield Fulcrum Group (Bermuda) Limited and a Hong Kong register of members of the Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless the Directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by the Company's Hong Kong Share Registrar and may not be lodged in Bermuda.
  - (d) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.
  - (e) Codan Services Limited is the Company's Bermuda resident representative, a company affiliated with Conyers Dill & Pearman, legal advisers on Bermuda law to the Company. Conyers Dill & Pearman will receive usual professional fees in connection with the incorporation of the Company and the Share Offer.

#### **10. Bilingual prospectus**

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version, the English version shall prevail.