

**1010 PRINTING GROUP LTD:  
THIS COMPANY WILL GO NOWHERE, VERY QUICKLY**

The spin-off of 1010 Printing Group Ltd () (Code: 1127, Main Board, The Stock Exchange of Hongkong Ltd) from Recruit Holdings Ltd () (Code: 550, Main Board, The Stock Exchange of Hongkong Ltd) appears to pose a number of rather serious questions

And, as a result of those questions, the answers of which are not apparent from available statistics, the Profit and Loss Account could well be considered suspect, in **TARGET**'s opinion.

1010 Printing Group Ltd published its Placing, Public Offer and Preferential Offer Prospectus on June 30, 2011, when it Offered a total of 125 million, one-cent Shares at an Indicative Offer Price Per Share, ranging from 70 cents to 90 cents.

On July 22, 2011 – last Friday – it was announced that the Offer Price Per Share had been determined at 70 cents.

The **Initial Public Offering (IPO)** resulted in the Company obtaining, net of expenses, about \$HK74 million.

That amount of money will be used for the following purposes:

1. About \$HK41 million '*for the purchase of new machinery and equipment*';
2. About \$HK21 million '*for the development of the PRC book publishing brokerage and promotion business*';
3. About \$HK5 million '*for the development of the Group's electronic book conversion services*'; and,
4. About \$HK7 million for Working Capital.

The business of 1010 Printing Group Ltd is, as its name suggests, engaged in the provision of printing services.

Page 81 of the Company's Prospectus gives an '**OVERVIEW**' of the business of this Company as follows:

*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 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.*

*1010 Group was established in 2005 by Recruit (Recruit Holdings Ltd) in order to diversify from its business of recruitment magazine advertising, inflight magazine advertising and investment trading into the printing business. 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. In accordance with 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.'*

Recruit Holdings Ltd beneficially ... [CLICK TO ORDER FULL ARTICLE](#)

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