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**RECRUIT HOLDINGS LIMITED**

才庫媒體集團有限公司\*

*(continued in Bermuda with limited liability)*

(Stock code: 8073)

**DISCLOSEABLE TRANSACTION**

On 1 December 2006, Recruit has entered into the Share Sale Agreement with Vendor 1 and Vendor 2 to acquire an aggregate of 30% equity interest and the entire benefits associated with the respective shareholders' loans of Vendor 1 and Vendor 2 in PPGI for a total cash consideration of HK\$18 million. The transaction constitutes a discloseable transaction of the Company under Rule 19.06 of the GEM Rules according to the percentage ratios calculated under Rule 19.07 of the GEM Rules.

A circular containing further details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

**INTRODUCTION**

On 1 December 2006, Recruit has entered into the Share Sale Agreement with Vendor 1 and Vendor 2 to acquire an aggregate of 30% equity interest and the entire benefits associated with the respective shareholder's loans of Vendor 1 and Vendor 2 in PPGI for a total cash consideration of HK\$18 million.

**THE SHARE SALE AGREEMENT**

Date: 1 December 2006

Vendors: Vendor 1 and Vendor 2. To the best of the Directors' knowledge, there is no relationship between Vendor 1 and Vendor 2

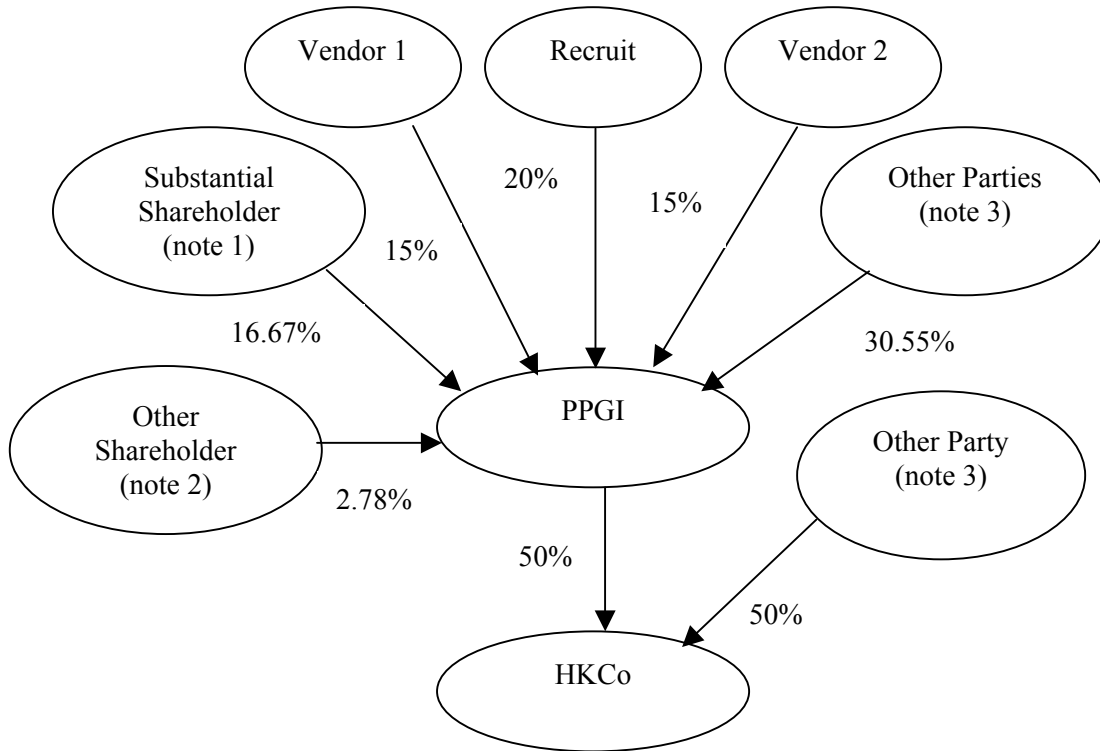
Purchaser: Recruit

Asset involved: Recruit agreed to purchase and Vendors agreed to sell 3,000 Shares, being 30% of the issued share capital of PPGI and their benefits associated with the shareholders' loan of approximately HK\$16.6 million in PPGI.

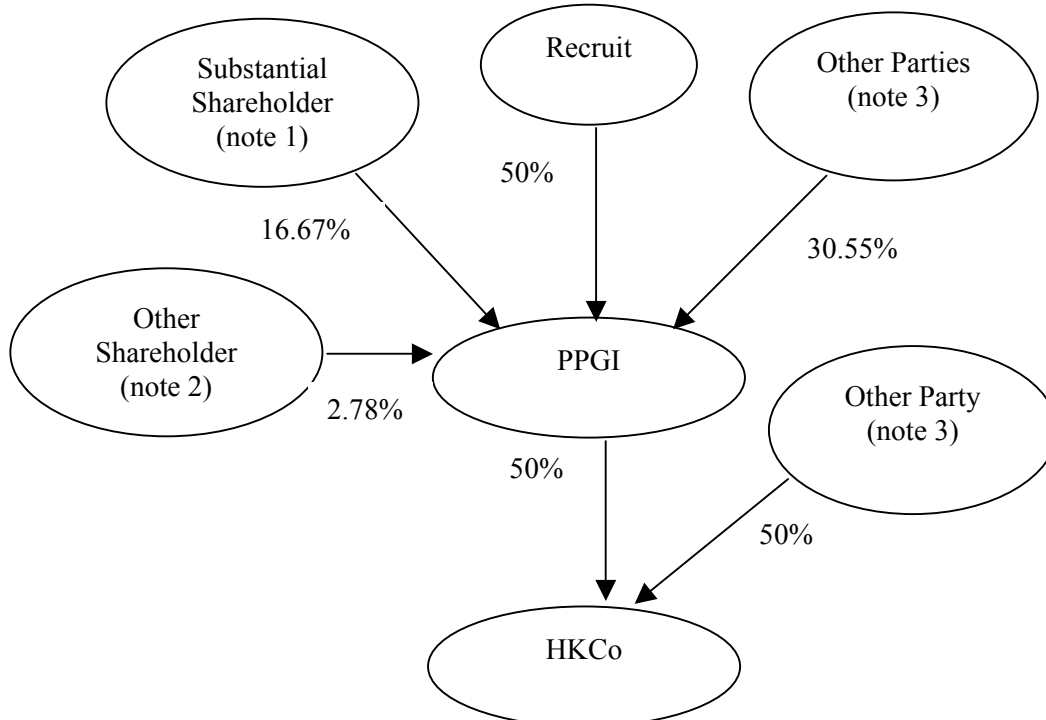
Consideration: The aggregate consideration for the Acquisition is HK\$18 million payable in cash (the “Consideration”), as to HK\$9 million payable to each of the Vendors.

Payment terms: HK\$9 million has been paid to each of the Vendors upon the signing of the Share Sale Agreement on 1 December 2006. The transaction was completed on the same date.

**Shareholding structure before Acquisition**



**Shareholding structure after Acquisition**



Note 1: As at 1 December 2006, to the best knowledge of the Directors, Substantial Shareholder holds approximately 23% effective interest in the Company.

Note2: As at 1 December 2006, to the best knowledge of the Directors, Other Shareholder holds approximately 9.7% effective interest in the Company.

Note 3: Other party(ies) is/(are) third party(ies) independent of the Company and connected persons (as defined in the GEM Rules) of the Company.

Note 4: To the best knowledge of the Directors, Substantial Shareholder including its ultimate beneficial owners and Other Shareholder including its ultimate beneficial owners are independent of each other.

Subsequent sale of share in PPGI by the Company is subject to the first right of refusal clause in the joint venture agreement between PPGI and the remaining shareholder of HKCo. Apart from that, the Directors are not aware of any restriction on subsequent sale of the said shares.

## **REASONS AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the advertising media businesses, including recruitment magazine publishing and inflight magazine advertising, printing business and investment trading.

Immediately prior to the execution of the Share Sale Agreement, Recruit held 20% of the issued share capital of PPGI. PPGI is an investment holding company and its sole asset is a 50% interest in HKCo which is engaged in printing business in Hong Kong and provides printing services for Recruit magazine, a recruitment advertising magazine published by a subsidiary of the Company. Upon the completion of the Acquisition, Recruit's shareholding in PPGI will be increased from 20% to 50%. The investment in HKCo is accounted for in the books of PPGI as a 50% owned associated company by using the equity method. Before the Acquisition, PPGI is treated as a 20% owned associated company of the Group. After the completion of the Acquisition, PPGI would be treated as a 50% owned associated company of the Group. In either case, PPGI would be equity accounted for in the consolidated financial statements of the Group.

PPGI serves as an investment vehicle and it has not been involved in any significant business transactions other than its investment in the 50% interest in HKCo. PPGI's financial position is reflected by its 50% share of net liabilities and net loss/profits in HKCo. The audited loss before and after taxation of HKCo for the year ended 31 December 2004 was approximately HK\$8 million and HK\$7 million respectively. The audited profit before and after taxation of HKCo for the year ended 31 December 2005 was approximately HK\$5 million and HK\$4 million respectively. The audited net liabilities of HKCo as at 31 December 2005 was approximately HK\$55 million. As at the date of this announcement, the amount due to Shareholders by PPGI was approximately HK\$55 million.

Based on the existing market and economic condition, the Directors expect that HKCo will continue its profitable position and give rise to cash inflow to Recruit by way of repayment of shareholders' loan and dividend payment through PPGI. With the Group's expertise and business connection in printing industry, the Directors are of the view that additional investment in PPGI can (a) provide steady profit to the Group; (b) enhance the return on surplus fund for the Group; and (c) provide increased synergies for further business development of the Group.

The Consideration is paid in cash and funded by existing surplus cash of the Group. The Consideration for the Acquisition has been determined after arm's length negotiations between the parties by reference to (a) the respective shareholders' loan owed by PPGI to each of Vendor 1 and Vendor 2 (the shareholders' loan is in proportion to the respective shareholdings of each

Shareholder) and (b) HKCo's profitable position. The Directors consider that the Consideration and the terms of the Share Sale Agreement are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

## **GENERAL**

The transaction constitutes a discloseable transaction of the Company under Rule 19.06 of the GEM Rules according to the percentage ratios calculated under Rule 19.07 of the GEM Rules.

A circular containing further details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

“Acquisition”	The purchase from Vendor 1 and Vendor 2 of 30% equity interest and their entire benefits associated with shareholders' loans in PPGI for a total cash consideration of HK\$18 million
“Company”	Recruit Holdings Limited, a company continued in Bermuda with limited liability and the shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Recruit”	Recruit Company Limited, a company incorporated in Hong Kong, which is an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“HKCo”	Premier Printing Group Limited, a company incorporated in Hong Kong. As at the date of this announcement, it was 50% owned by PPGI and 50% owned by a third party independent of the Company and connected persons (as defined in the GEM Rules) of the Company

“PPGI”	PPG Investments Limited, a company incorporated in the British Virgin Islands with limited liability.
“Share Sale Agreement”	the share sale agreement dated 1 December 2006 entered into between Recruit as the purchaser and the Vendors as the seller in respect of 30% equity interest in PPGI
“Shares”	shares of US\$1 each in the issued share capital of PPGI
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor 1”	a company incorporated in Hong Kong. Vendor 1 is an investment holding company. Immediately prior to the execution of the Share Sale Agreement, Vendor 1 owned 15% equity interest in PPGI. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Vendor 1 and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the GEM Rules) of the Company
“Vendor 2”	a company incorporated in Hong Kong. Vendor 2 is an investment holding company. Immediately prior to the execution of the Share Sale Agreement, Vendor 2 owned 15% equity interest in PPGI. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Vendor 2 and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the GEM Rules) of the Company
“Vendors”	Vendor 1 and Vendor 2
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States of America dollars, the lawful currency of United States of America
“%”	per cent.

By Order of the Board

**Ho Suk Yi**

*Director*

Hong Kong, 11 December 2006

*As at the date of this announcement, the Board comprises Lau Chuk Kin and Ho Suk Yi as executive Directors, Wan Siu Kau, Lee Ching Ming, Adrian, Peter Stavros Patapios Christofis and Lam Mei Lan as non-executive Directors and Ling Ching Man, Eleanor, Cheng Ping Kuen, Franco and Tyen Kan Hee, Anthony as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcement" page for at least seven days from the date of its posting.*

*\* For identification purpose only*