
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Recruit Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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

*For identification only

27 December 2006

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities trade on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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
“associate”	the same meaning ascribed thereto in the GEM Rules
“Board”	the board of Directors
“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 Latest Practicable Date, 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
“Latest Practicable Date”	19 December 2006, the latest practicable date prior to the issue of this circular for the purpose of ascertaining certain information contained herein
“PPGI”	PPG Investments Limited, a company incorporated in the British Virgin Islands with limited liability.

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Share(s)”	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.

LETTER FROM THE BOARD



RECRUIT HOLDINGS LIMITED

才庫媒體集團有限公司*

(Continued in Bermuda with limited liability)

(Stock code: 8073)

Executive Directors:

Lau Chuk Kin (Chairman)
Ho Suk Yi

Non-Executive Directors:

Wan Siu Kau
Lee Ching Ming, Adrian
Peter Stavros Patapios Christofis
Lam Mei Lan

Independent Non-Executive Directors:

Ling Ching Man, Eleanor
Cheng Ping Kuen, Franco
Tyen Kan Hee, Anthony

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business

in Hong Kong:
26th Floor
625 King's Road
North Point
Hong Kong

27 December 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

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

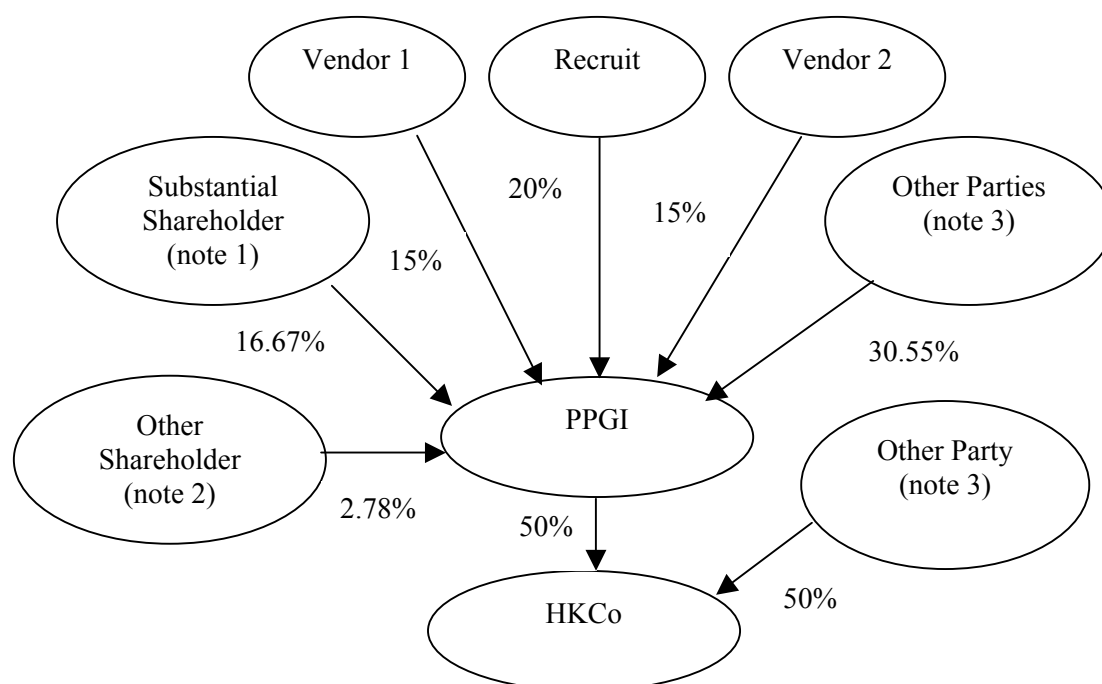
Purchaser: Recruit

** for identification only*

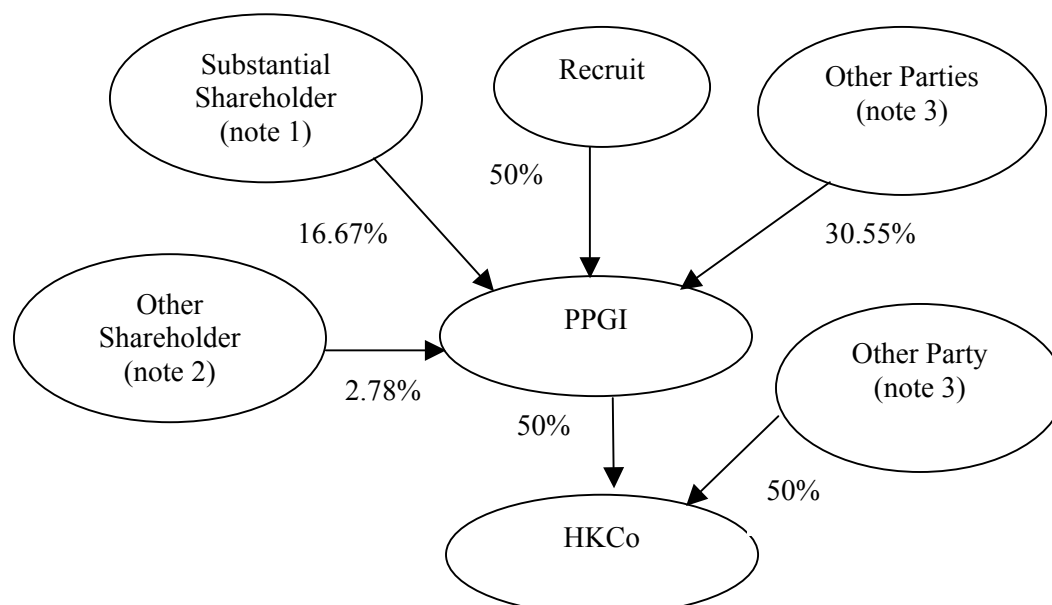
LETTER FROM THE BOARD

- 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



LETTER FROM THE BOARD

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

Note 2: As at the Latest Practicable Date, 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 shares 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 FOR AND EFFECT 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. The Acquisition has no significant impact to the earnings, assets and liabilities of the Group. The Group will have 50% share of the results of PPGI subsequent to the Acquisition.

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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

The Consideration was 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.

REQUIREMENTS OF THE GEM RULES

The Acquisition 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.

Your attention is drawn to the information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
Recruit Holdings Limited
Ho Suk Yi
Director

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the Shares of the Company as recorded in the register required to be kept under section 352 of Part XV of the SFO were as follows:

(a) Interests in the shares of the Company

Name of Directors	Personal Interests (Shares)	Family Interests (Shares)	Corporate Interests (Shares)	Total Interests (Shares)	Percentage to the issued share capital of the Company (%)
Mr. Lau Chuk Kin (Note 1)	Nil	Nil	178,894,000	178,894,000	65.10
Mr. Lee Ching Ming, Adrian (Note 2)	100,500	50,000	Nil	150,500	0.05
Mr. Peter Stavros Patapios Christofis	670,500	Nil	Nil	670,500	0.24
Mr. Cheng Ping Kuen, Franco	204,000	Nil	Nil	204,000	0.07

(b) Options to subscribe for shares of the Company

Name of Directors	Date of grant	Exercise price per share (HK\$)	Vesting period	Exercisable period	Number of underlying shares comprised in the options	Percentage to the issued share capital of the Company (%)
Ms Ho Suk Yi	17.5.2004	0.28	17.5.2004 – 16.5.2005	17.5.2005 – 2.7.2013	250,000	0.09
Ms Ho Suk Yi	9.12.2004	0.43	9.12.2004 – 8.12.2005	9.12.2005 – 2.7.2013	250,000	0.09

Notes:

1. Of 178,894,000 shares, 940,000 shares and 177,954,000 shares are beneficially owned by ER2 Holdings Limited and City Apex Limited respectively. As at the Latest Practicable Date, Mr. Lau Chuk Kin beneficially owned 67% of the issued share capital of ER2 Holdings Limited, which is the ultimate holding company of City Apex Limited. Accordingly, Mr. Lau Chuk Kin is deemed to be interested in the said shares pursuant to Part XV of the SFO.
2. Of 150,500 shares, 50,000 shares are beneficially owned by the wife of Mr. Lee Ching Ming, Adrian, who is deemed to be interested in the said shares under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the Directors or chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to rules 5.46 to 5.67 of the GEM Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, the following persons had interests or short positions in the Shares or underlying Shares 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 was, 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 any other member of the Group:

(a) The Company

Name of shareholder	Number of shares	Percentage to the issued share capital of the Company %
Mr. Lau Chuk Kin (<i>Note 1</i>)	178,894,000	65.10
ER2 Holdings Limited (<i>Note 1</i>)	178,894,000	65.10
City Apex Limited (<i>Note 1</i>)	177,954,000	64.76
Tai Wah Investment Company Limited (<i>Note 2</i>)	22,000,000	8.01
Chan Family Investment Corporation Limited (<i>Note 2</i>)	26,677,333	9.71
Great Eagle Holdings Limited (<i>Note 3</i>)	21,962,000	7.99
Jolly Trend Limited (<i>Note 3</i>)	21,962,000	7.99
The Great Eagle Company, Limited (<i>Note 3</i>)	21,962,000	7.99
Dr. Lo Ka Shui (<i>Note 4</i>)	21,944,000	7.99
JAIC-Somerley Corporate Development Fund Limited (<i>Note 5</i>)	16,788,178	6.11
Japan Asia Investment Company Limited (<i>Note 5</i>)	16,788,178	6.11

Notes:

1. Of the 178,894,000 shares, Mr. Lau Chuk Kin is deemed to be interested in the 940,000 shares directly held by ER2 Holdings Limited. Each of Mr. Lau Chuk Kin and ER2 Holdings Limited is deemed to be interested in the 177,954,000 shares owned by City Apex Limited.

2. Of these shares, 3,679,333 shares are directly owned by Chan Family Investment Corporation Limited, 998,000 shares and 22,000,000 shares are respectively held by Earnyear Limited and Tai Wah Investment Company Limited. Both Earnyear Limited and Tai Wah Investment Company Limited are wholly-owned subsidiaries of Chan Family Investment Corporation Limited.
3. Each of Great Eagle Holdings Limited and Jolly Trend Limited is deemed to be interested in the 21,962,000 shares owned by The Great Eagle Company, Limited.
4. Of these shares, 21,962,000 shares are duplicated in the interest described in note 3, as The Great Eagle Company, Limited is a wholly-owned subsidiary of Great Eagle Holdings Limited. Dr. Lo Ka Shui was interested and/or deemed to be interested in the issued share capital of Great Eagle Holdings Limited. Dr. Lo Ka Shui has personal interest in 150,000 shares of the Company.
5. Japan Asia Investment Company Limited is deemed to be interested in the 16,788,178 shares owned by JAIC-Somerley Corporate Development Fund Limited.

(b) Other members of the Group

Name of subsidiary	Name of shareholder	Proportion of nominal value of issued capital held %
1010 Group Limited	Global Resources Services Limited	15.00

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, no persons had interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who was, 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 any other member of the Group or any options in respect of such capital.

DIRECTORS' INTEREST IN SERVICE CONTRACTS

None of the Directors has entered or is proposing to enter into a service contract with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING BUSINESS

Interests of the directors of the Company in competing businesses required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules are as follows:

Name of director	Name of companies	Nature of competing business	Nature of interest
Mr. Lau Chuk Kin	International Resources Group Limited	Executive search business in the United Kingdom	As a director and shareholder
	Amrop Hever Hong Kong and Shanghai	Executive search business in Hong Kong and the PRC	As a shareholder
Mr. Wan Siu Kau	Amrop Hever Hong Kong and Shanghai	Executive search business in Hong Kong and the PRC	As a director and shareholder

Mr. Lau and Mr. Wan are considered as having an interest in the executive search business which may potentially compete with the job matching service (a service for linking up job seekers with employers) as provided by the Group in Shanghai. The job matching service is an ancillary service to the Group's principal activities, including recruitment and non-recruitment advertising. Revenue generated from the job matching service is minimal as compared to the Group's total turnover. Having considered the different nature and size of Mr. Lau and Mr. Wan's business, the Directors believe that they are unlikely to cause any significant competitions to the businesses of the Group.

Save as disclosed in this section, none of Directors or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has any business or interest that competes or may compete with the business of the Group.

LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor any subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

MISCELLANEOUS

- (i) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (ii) The head office and principal place of business of the Company in Hong Kong is at 26th Floor, 625 King's Road, North Point, Hong Kong.
- (iii) The qualified accountant and company secretary of the Company is Ms Ho Suk Yi. She is a qualified accountant and a member of both Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

- (iv) The compliance officer of the Company is Mr. Lau Chuk Kin. He is the executive director and chairman of the Company.
- (v) The Company has established an audit committee in April 2000 in accordance with the GEM Rules. The primary duties of the audit committee are to (a) review the Company's annual reports, financial statements, interim reports, quarterly reports and to provide advice and comments thereon to the Board and (b) review and supervise the financial reporting and internal control procedures of the Group. The audit committee comprises three independent non-executive directors, namely Mrs. Ling Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Tyen Kan Hee, Anthony, further details of whom are set out below:

Mrs. Ling Ching Man, Eleanor, SBS, OBE, JP, aged 59, was appointed as an Independent Non-Executive Director in April 2000. Mrs. Ling has over 30 years of experience in management and is a Fellow of the Institute of Chartered Management. Mrs. Ling is now an Adviser to Jardine Matheson Limited and also serves on a number of statutory bodies including the Medical Council, the Standing Commission on Civil Service Salaries and Conditions of Service. Mrs. Ling is also a Council Member of the Employers' Federation of Hong Kong and a Vice Patron of the Community Chest.

Mr. Cheng Ping Kuen, Franco, aged 53, was appointed as an Independent Non-Executive Director in January 2003. Mr. Cheng has over 26 years of experience in the management of private banking and investment businesses both in Hong Kong and Canada. Mr. Cheng holds a Master Degree in Business Administration from The Chinese University of Hong Kong and is now the Chief Representative of Rothschild Bank AG in Hong Kong.

Mr. Tyen Kan Hee, Anthony, aged 51, was appointed as an Independent Non-Executive Director of the Company in September 2004. Mr. Tyen holds a Doctoral degree in Philosophy and a Master degree in Business Administration, both from The Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of both the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators, and a member of the Chinese Institute of Certified Public Accountants. He is currently a practising certified public accountant in Hong Kong and has over 28 years of experience in auditing, accounting, management and company secretary. Mr. Tyen is currently an independent non-executive director of Value Convergence Holdings Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong.

- (vi) The Hong Kong branch share registrars and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (vii) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.