

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



RECRUIT HOLDINGS LIMITED

才庫媒體集團有限公司*

(Continued in Bermuda with limited liability)

(Stock Code: 8073)

**DISCLOSEABLE TRANSACTION -
SUBSCRIPTION AND SALE AND PURCHASE OF SHARES
IN A SUBSIDIARY**

On 7 February 2007, the Company, RBVI, RGL and Jobstreet entered into the Subscription and S&P Agreement, pursuant to which Jobstreet will acquire a 20% interest in RGL for a cash consideration of HK\$15,000,000. The Acquisition constitutes a discloseable transaction of the Company under Rule 19.06 of the GEM Listing Rules according to the percentage ratios calculated under Rule 19.07 of the GEM Listing Rules.

A circular containing further information on the Subscription and S&P Agreement and the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

THE SUBSCRIPTION AND S&P AGREEMENT

Date: 7 February 2007

Parties:

1. Jobstreet;
2. RBVI;
3. RGL; and
4. the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jobstreet and its ultimate beneficial owners are Independent Third Parties.

Background Information of RGL:

RGL was incorporated in the British Virgin Islands in January 2007 and is used as the holding company of three subsidiaries, namely Recruit Advertising Limited, Recruit Information Technology Limited and Recruit Online Advertising Limited. Prior to and for the purpose of entering into the Subscription and S&P Agreement, the Group has undergone some restructuring to transfer out from the said subsidiaries to other members of the Group the Excluded Businesses. On 31 January 2007, the Group injected the said subsidiaries (after carving out the Excluded Businesses) into RGL. The principal activities currently carried on by these subsidiaries include the provision of recruitment advertising services and publishing business in Hong Kong (the “Business”).

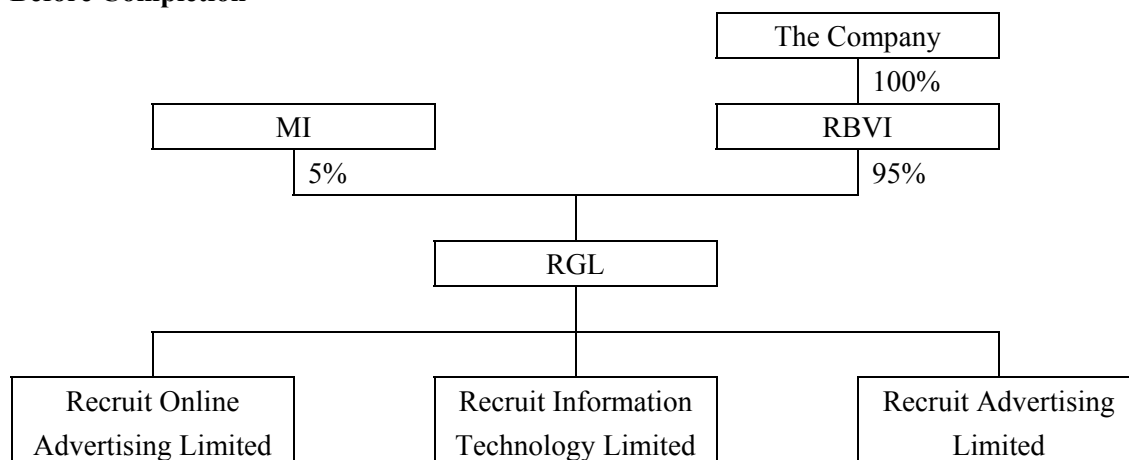
As at the date hereof, RGL has an authorised capital of US\$5,000,000 divided into 5,000,000 RGL Shares of US\$1.00 each, of which 9,000 RGL Shares have been issued and are fully paid up, and RBVI is the beneficial owner of 8,550 RGL Shares, representing approximately 95% of the issued share capital of RGL, and MI is the beneficial owner of 450 RGL Shares, representing approximately 5% of the issued share capital of RGL.

The Acquisition:

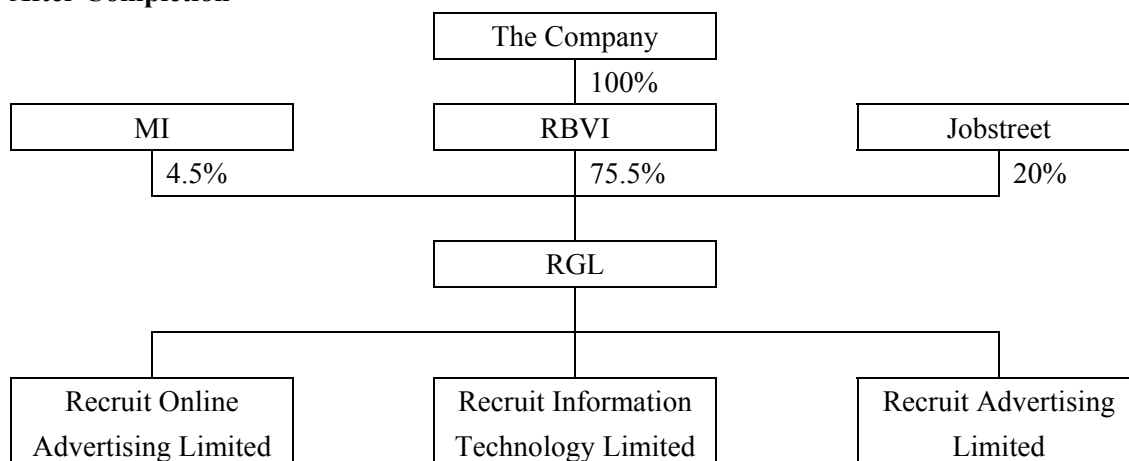
The Acquisition comprises two parts: 1) Jobstreet will purchase and RBVI will sell to Jobstreet the Sale Shares, and 2) RGL will, and RBVI and the Company will procure RGL to, allot and issue to Jobstreet and Jobstreet will subscribe for the Subscription Shares.

As at the date of this announcement, RGL Group has ceased to carry on the Excluded Businesses and the Group has warranted that the position will remain unchanged on the Completion Date. Upon Completion, which will take place on the Completion Date, RGL will be owned as to 75.5% by the Company indirectly and will remain a subsidiary of the Company, while Jobstreet and MI will own 20% and 4.5% respectively of the issued share capital of RGL. The following diagram depicts the shareholding structure of RGL before and after Completion:

Before Completion



After Completion



Consideration:

The consideration for the Subscription Shares is HK\$7,500,000 while that for the Sale Shares is also HK\$7,500,000. Therefore, the Consideration is HK\$15,000,000 and will be settled entirely in cash.

The Consideration was determined after arm's length negotiations between the parties by reference to the net asset value of RGL, the profitable position and earning prospects of RGL Group, Jobstreet's status as a significant player in the online recruitment advertising business in the Asia Pacific region, and the chance to leverage Jobstreet's existing technology and Jobstreet's aforesaid status to enhance RGL Group's operations.

Upon the signing of the Subscription and S&P Agreement, Jobstreet will pay the Deposit to RBVI. The balance for the Sale Shares and the total consideration for the Subscription Shares shall be paid by Jobstreet to RBVI and RGL respectively upon Completion.

Conditions Precedent:

Completion is conditional upon the following conditions precedent:

- (1) the granting of approval for Jobstreet to remit funds outside Malaysia (for payment of the Consideration) by Bank Negara Malaysia;
- (2) Jobstreet having published an announcement on the internet website of Bursa Malaysia in compliance with the listing requirements of Bursa Malaysia Securities Berhad for the Mesdaq Market in relation to entering into the Subscription and S&P Agreement and the Acquisition by Jobstreet; and
- (3) the Company having published an announcement on the internet website operated by the Stock Exchange for the purposes of the Growth Enterprise Market in compliance with the requirements under the GEM Listing Rules in relation to entering into the Subscription and S&P Agreement and the Acquisition.

If the conditions precedent have not been fulfilled by 5:00p.m. on the Long Stop Date, the Subscription and S&P Agreement shall lapse and have no effect, save for the liability of any party to the other in respect of any breaches of the terms thereof, and in such a case, unless Jobstreet is in default, RBVI shall forthwith return the Deposit to Jobstreet.

Dividend:

RBVI, RGL and the Company jointly and severally undertake with Jobstreet that as from Completion Date, subject to a maximum period of three years, or for so long as Jobstreet remains as a shareholder of RGL, whichever period is shorter, RGL shall pay an annual dividend to Jobstreet of 7% of the Consideration, i.e. HK\$1,050,000. In such event, other shareholders of RGL (including RBVI) will also enjoy the same rate of dividend. In view of RGL Group's net asset value and earning prospects, the Group is confident that the undertaking as aforesaid can be complied with. In the unlikely event that the Group comes to a view it may not be able to do so, it may choose to exercise the Resale option as explained below to terminate the said obligation if it is within the exercise period. Otherwise, the Group has to honour this undertaking as aforesaid to pay Jobstreet (but not other shareholders of RGL).

Resale Option:

At any time during the period of six months commencing from the first anniversary of the Completion Date, the Company shall have the option exercisable at its discretion to buy from Jobstreet the Sale Shares and the Subscription Shares (the "Resale"). The price for the Resale shall be the higher of:

- 1) the Consideration; or
- 2) such sum as may be agreed by Jobstreet and the Company or as the Specified Experts may certify to be in their opinion the fair value of the Sale Shares and the Subscription Shares.

Should the exercise of the option of Resale involve a sum which exceeds the relevant percentage ratios under Chapter 19 of the GEM Listing Rules, the Company will comply with the disclosure obligation or Shareholders' approval requirement thereunder.

Licence to Use Online Technology:

Jobstreet and RGL agree to negotiate in good faith on an agreement whereby Jobstreet shall grant to RGL a licence to use its existing online recruit technology free of charge for a period of twenty four months or so long as Jobstreet remains as a shareholder of RGL and/or of the Company (to the Company's knowledge, Jobstreet is not a shareholder of the Company), whichever is shorter, and subject to agreement on the terms thereof, to sign this agreement on or before 28 February 2007.

Restrictions on Transfer of Shares:

After Completion, if either RBVI or Jobstreet (the "Selling Shareholder") wants to dispose of any of the RGL Shares held by it to one or more third parties, the Selling Shareholder must give prior written notice (the "Transfer Notice") to the other (the "Non-Selling Shareholder") with details of the terms of the proposed disposal. Within 30 days of receipt of the Transfer Notice, the Non-Selling Shareholder has a right to purchase its Pro Rata Share of such number of RGL Shares being offered for sale under the same terms as set out in the Transfer Notice by giving written notice to the Selling Shareholders and RGL.

Where Jobstreet is the Non-Selling Shareholder and does not wish to purchase any RGL Shares offered for sale, upon notifying the Selling Shareholder (i.e. RBVI) and RGL, Jobstreet has the right to participate in the proposed disposal by selling all or any part of such number of RGL Shares equal to the product obtained by multiplying (i) the aggregate number of RGL Shares offered for sale as stated in the Transfer Notice (less any RGL Shares purchased pursuant to the mechanism stated in the paragraph above) by (ii) a fraction, the numerator of which is the number of RGL Shares owned by Jobstreet on the date of the Transfer Notice and the denominator of which is the total number of RGL Shares owned by the Selling Shareholder and Jobstreet as of the date of the Transfer Notice under terms which are no less favourable than those set out in the Transfer Notice.

To the extent that the Non-Selling Shareholder has not exercised its right to purchase the relevant RGL Shares and where applicable, Jobstreet has not exercised its right to participate in the proposed disposal in the aforesaid manner, the Selling Shareholder can within 60 days from the expiration of such rights dispose of the relevant unpurchased RGL Shares under the terms set out in the Transfer Notice, on the condition that the proposed transferee of the RGL Shares must have agreed to be bound by the terms of the Subscription and S&P Agreement.

The aforesaid restrictions on the transfer of RGL Shares are applicable to Jobstreet and RBVI

only.

Nomination of Director:

As long as Jobstreet remains as a shareholder of RGL, RBVI and RGL jointly and severally undertake to procure that the board of directors of RGL shall comprise one director nominated by Jobstreet and four directors nominated by RBVI.

Net Assets Value

RBVI, RGL and the Company jointly and severally warrant to Jobstreet that the consolidated net assets value of RGL will not be less than HK\$5,000,000 as at the signing of the Subscription and S&P Agreement and as at Completion.

INFORMATION OF THE PARTIES

RGL is an indirect non wholly-owned subsidiary of the Company and its principal activity is investment holding. Please refer to the paragraph titled “Background Information of RGL” for the principal activities of RGL’s subsidiaries.

In accordance with the management accounts of the three subsidiaries of RGL for the two financial years ended 31 December 2006, the net profits attributable to the Business in each of the said years are approximately as follows (in HK\$):

<u>Year Ended</u>	<u>Before taxation and extraordinary items</u>	<u>After taxation and extraordinary items</u>
31 December 2005	19,500,000	19,500,000
31 December 2006	21,600,000	19,800,000

RBVI is a direct wholly-owned subsidiary of the Company and its principal activity is investment holding. The Company is an investment holding company, while the Group is principally engaged in the advertising media business, including recruitment magazine publishing and inflight magazine advertising, printing business and investment trading.

Jobstreet is a company incorporated in Malaysia, the shares of which are listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Its principal activities are the operation of online recruitment advertising portals in Bangladesh, India, Indonesia, Malaysia, the Philippines and Singapore, and the provision of interactive recruitment services.

FINANCIAL EFFECT OF THE ACQUISITION IN ACCORDANCE WITH THE PREVAILING AUDITING AND ACCOUNTING STANDARDS

In accordance with the unaudited consolidated balance sheet of RGL as at 31 January 2007, the net asset value of RGL Group is approximately HK\$5 million. As a result of the Acquisition, the Group expects to record an unaudited gain of approximately HK\$12.2 million, being the sum received for disposal of the Sale Shares of HK\$7.5 million plus the difference between (i) the Group's 95% interest in the net asset value of RGL Group immediately before the Acquisition in the sum of about HK\$4.7 million and (ii) the Group's 75.5% interest in the net asset value of RGL Group immediately after the Acquisition (as increased by HK\$7.5 million which is paid by Jobstreet for the Subscription Shares) in the sum of about HK\$9.4 million.

The Company intends to use the net proceeds from the Acquisition as the Group's general working capital.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition is beneficial to the Group because (1) it allows the Group to gain access to Jobstreet's recruitment technology and business model, which can enhance the Group's operations and (2) it brings in additional investment and funding to RGL Group.

The Directors consider that the Consideration and the terms of the Subscription and S&P Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

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

A circular containing further details of the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

DEFINITIONS

“Acquisition”	the subscription of the Subscription Shares by and the sale of the Sale Shares to Jobstreet pursuant to the Subscription and S&P Agreement
"Board"	the board of Directors
"Company"	Recruit Holdings Limited, a company continued in Bermuda with limited liability, the shares of which are listed on GEM
“Completion”	means the completion of the Acquisition in accordance with the terms of the Subscription and S&P Agreement
“Completion Date”	the date on which Completion takes place and shall be the 5 th day after the conditions precedent of the Subscription and S&P Agreement are satisfied or 15 February 2007 or such later date as the parties may agree in writing, whichever the latest
"Consideration"	the total consideration to be paid by Jobstreet for the Acquisition
“Deposit”	the sum of HK\$2,000,000 payable by Jobstreet to RBVI upon the signing of the Subscription and S&P Agreement as deposit for the Sale Shares;
"Directors"	the directors of the Company
“Excluded Businesses”	the businesses of inflight magazine advertising agency under the names of “Eastern Inflight Magazine Productions” and “Southern Inflight Advertising” and all businesses carried out in the PRC
“GEM”	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	(a) third party(ies) independent of the Company and connected persons of the Company (as defined under the GEM Listing Rules)
"Jobstreet"	Jobstreet Corporation Berhad, a company incorporated in Malaysia with limited liability, the shares of which are listed on the Mesdaq Market of Bursa Malaysia Securities Berhad
"Long Stop Date"	28 February 2007
"MI"	an Independent Third party which currently holds 450 RGL Shares representing 5% of the issued share capital of RGL
"Pro Rata Share"	in relation to a RGL shareholder, means the proportion of which (i) the numerator is the aggregate number of all issued and outstanding RGL Shares held by such RGL shareholder, and (ii) the denominator is the aggregate number of all issued and outstanding RGL Shares held by RBVI and Jobstreet together (but excluding those held by the Selling Shareholder)
"RBVI"	Recruit (BVI) Limited, a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company
"RGL"	Recruit Group Limited, a company incorporated in the British Virgin Islands, a non wholly-owned subsidiary of RBVI and thus an indirect non wholly-owned subsidiary of the Company
"RGL Group"	RGL and its subsidiaries
"RGL Shares(s)"	ordinary share(s) of US\$1.00 each in the issued capital of RGL
"Sale Shares"	the 1,000 RGL Shares beneficially owned by RBVI to be sold to Jobstreet pursuant to the Subscription and S&P Agreement
"Shareholder(s)"	holder(s) of the existing ordinary share(s) of HK\$0.2 each in the share capital of the Company

“Specified Experts”	the auditors of the Company, or such firm of accountants as, upon request from any of the Company or Jobstreet, is nominated by the President of the Hong Kong Institute of Certified Public Accounts
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
“Subscription and S&P Agreement”	the agreement entered into between the Company, RBVI, RGL and Jobstreet on 7 February 2007 regarding the Acquisition
“Subscription Shares”	the 1,000 new RGL Shares to be allotted and issued by RGL and subscribed for by Jobstreet in accordance with the Subscription and S&P Agreement
“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, 7 February 2007

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:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 Announcements” page for at least seven days from the date of its posting.

** For identification purpose only*