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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: 550)

## **DISCLOSEABLE TRANSACTION**

### **SUBSCRIPTION OF NEW SHARES IN A SUBSIDIARY**

The Directors announce that, on 7 April 2010, the Target Company, an indirect non-wholly owned subsidiary of the Company, entered into the Subscription Agreement with Recruit (BVI), a wholly owned subsidiary of the Company.

Pursuant to the Subscription Agreement, Recruit (BVI) agreed to subscribe for the Subscription Shares at the Subscription Price. The total consideration for the issue of Subscription Shares under the Subscription Agreement is HK\$122,181,900, which will be fully paid by conversion of existing loan granted by Recruit (BVI) to the Target Group on the Completion Date.

The Subscription Price was arrived at after arm's length negotiations and determined with reference to the unaudited consolidated net asset value of the Target Group as at 31 December 2009.

The Target Company is a subsidiary of the Company who is not a connected person pursuant to Note 1 to Rule 14A.11(5) of the Listing Rules.

Since the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **BACKGROUND**

The Target Company is an investment holding company and the subsidiaries of which are engaged in printing business. Immediately prior to the Subscription, the Company, through Recruit (BVI), held 256,700,000 shares in the Target Company representing 77.79% of the issued shares capital thereof whereas Mr. Chen held 50,000,000 shares representing 15.15% of the issued shares capital of the Target Company. Each of the Minority Shareholders held 11,650,000 shares of the Target Company representing 3.53% of the issued shares capital of the Target Company immediately prior to the Subscription.

In order to cater for future expansion and development of the printing business, the Target Company has offered to its existing shareholders for subscription of a total of 480,000,000 new shares in the Target Company at a subscription price of HK\$0.3 per share in proportion to their respective percentage of shareholding. In addition to subscribing for such number of shares in the Target Company in proportion to its holding, Recruit (BVI) has decided to take up the shares which are not taken up by the Minority Shareholders.

## **THE SUBSCRIPTION**

### **The Subscription Agreement**

#### ***Date***

7 April 2010

#### ***Parties***

1. Recruit (BVI)
2. the Target Company

#### ***Subject matter***

Pursuant to the Subscription Agreement, Recruit (BVI) agreed to subscribe for the Subscription Shares at the Subscription Price. The total consideration for the issue of Subscription Shares under the Subscription Agreement is HK\$122,181,900 which will be fully paid by conversion of existing loan granted by Recruit (BVI) to the Target Group on the Completion Date.

The Subscription Price was arrived at after arm's length negotiations and determined with reference to the unaudited consolidated net asset value of the Target Group as at 31 December 2009.

The Subscription Shares, upon issuance, will rank pari passu in all respects with the existing issued shares of the Target Company.

## CONDITIONS

The obligations of the parties to the Subscription Agreement to complete the transactions contemplated under the Subscription Agreement are conditional upon the following conditions:

- (1) the Target Company having obtained all the necessary consents and/or approvals from its board of directors or its shareholders (if required); and
- (2) Recruit (BVI) having obtained all the necessary consents and/or approvals from its board of directors or its shareholders (if required).

The parties to the Subscription Agreement shall use their best endeavours to procure that the above conditions be fulfilled by 16 April 2010. If they have not been fulfilled by that day, the Subscription Agreement shall forthwith become null and void and cease to have any effect whatsoever and neither party to the Subscription Agreement shall have any claims, obligation or liability against the other for costs, damages, compensations or otherwise (save for liabilities for any antecedent breaches of the Subscription Agreement).

The conditions will not be altered nor waived except allowed under the Listing Rules and other applicable laws and regulations and with prior written consent of the parties to the Subscription Agreement, and such alteration or waiver may be made subject to such terms and conditions as are determined by them.

### *Changes of shareholding in the Target Company*

The table below sets forth the respective shareholding in the Target Company immediately prior to and upon the Subscription:

	<b>Immediately prior To the Subscription</b>		<b>Immediately upon the Subscription</b>	
	<b>No. of shares</b>	<b>Shareholding (%)</b>	<b>No. of shares</b>	<b>Shareholding (%)</b>
Recruit (BVI)	256,700,000	77.79	663,973,000	81.97
Mr. Chen	50,000,000	15.15	122,727,000	15.15
Minority Shareholders	23,300,000	7.06	23,300,000	2.88
<b>Total:</b>	<b>330,000,000</b>	<b>100.00</b>	<b>810,000,000</b>	<b>100.00</b>

Upon completion of the Subscription, the Group's shareholding in the Target Company will be increased from 77.79% to 81.97% and the Target Company will continue to be a subsidiary of the Company. Mr. Chen will maintain his shareholding since he has agreed to subscribe for such number of shares in proportion to his holding. Since the Minority Shareholders have decided not to subscribe for any of the shares in the Target Company, their shareholdings therein will be diluted to 1.44% each.

## **REASONS OF THE SUBSCRIPTION**

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

The Subscription is effected to enable the Target Company to have a more stable capital base for the future expansion and development of the printing business of the Target Group. It is expected that following the subscription exercise, the Target Group will be able to enhance its competitiveness in the market.

As the Group's interest in the Target Group will be increased, the Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

## **INFORMATION ABOUT THE TARGET GROUP**

As at 31 December 2009, the unaudited net asset value of the Target Group was HK\$121.4 million. The unaudited net profit before and after taxation and extraordinary items was HK\$60.1 million (2008: 15.5 million) and 54.9 million (2008: 14.3 million) respectively.

Following the Subscription, the Group's current assets in the Target Group will be increased by approximately HK\$21.8 million.

## **LISTING RULES IMPLICATIONS**

The Target Company is a subsidiary of the Company which is not a connected person pursuant to Note 1 to Rule 14A.11(5) of the Listing Rules. Save for his interest in the Target Company, Mr. Chen is not connected with the Company. The Minority Shareholders are Independent Third Parties.

Since the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:—

"Board"	the board of Directors
"Company"	Recruit Holdings Limited, a company continued in Bermuda and the shares of which are listed on Main Board (Stock Code: 550)
"Completion Date"	the third business day following the date on which the conditions as described under the Section headed "Conditions" are fulfilled or such other later date as Recruit (BVI) and Target Company may mutually agree
"connected person(s)"	has the meaning ascribed to it by the Listing Rules
"Director(s)"	director(s) of the Company
"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 PRC
"Independent Third Party(ies)"	third party(ies) not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Minority Shareholders"	the other two minority shareholders of the Target Company as at the date of this announcement other than Mr. Chen
"Mr. Chen"	Mr. Chen Huangzhi. Save as a substantial shareholder of the Target Company, Mr. Chen is an Independent Third Party of and not connected with the Company and its connected persons

"PRC"	People's Republic of China
"Recruit (BVI)"	Recruit (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, which is an investment holding company
"Shareholders"	holders of the shares of HK\$0.10 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares by Recruit (BVI) pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 7 April 2010 entered into between Recruit (BVI) and the Target Company
"Subscription Price"	HK\$0.3 per Subscription Share
"Subscription Shares"	407,273,000 new shares of the Target Company of nominal value of HK\$0.1 each to be allotted and issued by the Target Company to Recruit (BVI) pursuant to the Subscription Agreement
"Target Company"	1010 Group Limited, a company incorporated in the Hong Kong and an indirect 77.79%-owned subsidiary of the Company immediately prior to the Subscription
"Target Group"	the Target Company and its subsidiaries
"Transaction"	the entering into of the Subscription Agreement for subscription of the Subscription Shares
"%"	per cent.

By order of the Board  
**Lau Chuk Kin**  
Chairman

Hong Kong, 7 April 2010

*As at the date of this announcement, the Board comprises Lau Chuk Kin, Lam Mei Lan and Chow So Chu as executive directors, Wan Siu Kau, Lee Ching Ming, Adrian and Peter Stavros Patapios Christofis as non-executive directors and Ling Lee Ching Man, Eleanor, Cheng Ping Kuen, Franco and Ho David as independent non-executive directors.*

\* For identification purpose only