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This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities in RECRUIT HOLDINGS LIMITED

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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 AND CONNECTED TRANSACTION**

**SUBSCRIPTION OF NEW SHARES AND ACQUISITION OF SHARES IN A**

**NON-WHOLLY OWNED SUBSIDIARY FROM A CONNECTED PERSON**

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



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A letter from the Board is set out on pages 1 to 9 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 10 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 21 of this circular.

*\* For identification purpose only*

25 April 2008

# CONTENTS

	<u>Page No.</u>
DEFINITIONS .....	i
LETTER FROM THE BOARD .....	1
1. INTRODUCTION .....	2
2. THE SUBSCRIPTION AND SHARE SWAP AGREEMENT .....	2
3. NON-EXERCISE OF THE RESALE OPTION .....	5
4. MANDATE TO ISSUE THE SUBSCRIPTION SHARES .....	5
5. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY .....	5
6. INFORMATION OF THE PARTIES .....	6
7. REASONS FOR AND BENEFITS OF THE TRANSACTION .....	6
8. LISTING RULES IMPLICATION .....	7
9. GENERAL .....	7
10. FINANCIAL EFFECT OF THE SUBSCRIPTION .....	8
11. RECOMMENDATION .....	8
12. PROCEDURE FOR DEMANDING A POLL .....	9
13. ADDITIONAL INFORMATION .....	9
APPENDIX I - LETTER FROM THE INDEPENDENT BOARD COMMITTEE .....	10
APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED .....	11
APPENDIX III – GENERAL INFORMATION .....	22

<b>DEFINITIONS</b>
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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

"Board"	the board of Directors
"Bye-laws"	the Bye-laws of the Company
"Company"	Recruit Holdings Limited, a company continued in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
"Completion"	means the completion of the Subscription in accordance with the terms of the Subscription and Share Swap Agreement
"Completion Date"	the date on which Completion takes place and shall be the 3rd business day after the conditions precedent of the Subscription and Share Swap Agreement are satisfied or 9 May 2008 or such later date as the parties may agree in writing, whichever the latest
"connected person"	has the meaning ascribed to it by the Listing Rules
"Directors"	the directors of the Company
"GEC"	The Great Eagle Company, Limited, an indirect wholly-owned subsidiary of Great Eagle Holdings Limited, a company whose shares are listed on the main board 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 Board Committee"	an independent board committee of the Company comprising all three independent non-executive Directors formed to give advice to the independent Shareholders in respect of the Subscription

<b>DEFINITIONS</b>
--------------------

"Independent Financial Adviser"	Access Capital Limited, a licensed corporation under the SFO which engages in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and the independent financial adviser to the Independent Board Committee and the independent Shareholders in respect of the Subscription
"Jobstreet"	Jobstreet Corporation Berhad, a company incorporated in Malaysia with limited liability, the shares of which are listed on the Main Board of Bursa Malaysia Securities Berhad
"Last Trading Date"	10 April 2008, being the last full trading day for the Shares before the announcement of the Company dated 10 April 2008
"Latest Practicable Date"	22 April 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Resale Option"	the option granted by Jobstreet to the Company under the Subscription and S&P Agreement for the Company to buy from Jobstreet the RGL Shares within the period of 6 months from the first anniversary of 15 February 2007, being the completion date of the Subscription and S&P Agreement
"RGL"	Recruit Group Limited, a company incorporated in the British Virgin Islands, an indirect 75.5%-owned subsidiary of the Company
"RGL Shares"	2,000 ordinary shares of US\$1.00 each in the issued capital of RGL beneficially owned by Jobstreet
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company held on 13 July 2007
"Share(s)"	the ordinary share(s) of HK\$0.20 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the existing Share(s)

<b>DEFINITIONS</b>
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"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares by Jobstreet pursuant to the Subscription and Share Swap Agreement
"Subscription and Share Swap Agreement"	the agreement entered into between the Company and Jobstreet on 10 April 2008 regarding the Subscription
"Subscription and S&P Agreement"	an agreement dated 7 February 2007 entered into between, inter alia, Jobstreet and the Company pursuant to which Jobstreet acquired the RGL Shares and granted the Resale Option to the Company
"Subscription Price"	HK\$1.00, being the consideration for each Subscription Share paid by Jobstreet pursuant to the Subscription and Share Swap Agreement
"Subscription Shares"	the 26,250,000 new Shares to be allotted and issued to Jobstreet in accordance with the Subscription and Share Swap Agreement
"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: 550)

*Executive Directors:*

Lau Chuk Kin (*Chairman*)

Ho Suk Yi

Chow So Chu

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Non-Executive Directors:*

Wan Siu Kau

Lee Ching Ming, Adrian

Peter Stavros Patapios Christofis

Lam Mei Lan

*Head Office and Principal Place of Business*

*in Hong Kong*

26th Floor

625 King's Road

North Point

Hong Kong

*Independent non-executive Directors:*

Ling Lee Ching Man, Eleanor

Cheng Ping Kuen, Franco

Tyen Kan Hee, Anthony

25 April 2008

To: *the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION**

**SUBSCRIPTION OF NEW SHARES AND ACQUISITION OF SHARES IN A  
NON-WHOLLY OWNED SUBSIDIARY FROM A CONNECTED PERSON**

*\* For identification purpose only*

<b>LETTER FROM THE BOARD</b>
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## **1. INTRODUCTION**

As set out in the Company's announcement dated 10 April 2008, on 10 April 2008 after trading hours, the Company and Jobstreet entered into the Subscription and Share Swap Agreement pursuant to which Jobstreet will subscribe for 26,250,000 new Shares, representing about 9.45% of the existing issued share capital of the Company and about 8.64% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares, at a total consideration of HK\$26,250,000, HK\$11,250,000 of which shall be paid by cash and the remaining HK\$15,000,000 shall be settled by Jobstreet transferring to the Company or its nominee the RGL Shares at the price of HK\$7,500 per RGL Share. Jobstreet holds a 20% shareholding in RGL, and is thus a substantial shareholder of RGL and a connected person of the Company. Acquisition of the RGL Shares by the Company from Jobstreet, a connected person of the Company, constitutes a discloseable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules, and is subject to approval by independent Shareholders.

The purpose of this circular is (i) to provide the Shareholders with further information regarding the details of the Subscription; and (ii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

## **2. THE SUBSCRIPTION AND SHARE SWAP AGREEMENT**

**Date and Time:** 10 April 2008 after trading hours

**Parties:** Jobstreet and the Company

Jobstreet holds a 20% shareholding in RGL, and is thus a substantial shareholder of RGL and a connected person of the Company. Save for entering into the Subscription and Share Swap Agreement, Jobstreet and its associates have not owned any Shares or dealt in the Shares prior to the date of the announcement of the Company dated 10 April 2008. Save for the 20% shareholding in RGL, Jobstreet is not interested in the Subscription.

### **The Subscription Shares**

The Company has an authorised share capital of HK\$100,000,000 divided into 500,000,000 Shares. The 26,250,000 Subscription Shares represent about 9.45% of the existing issued share capital of the Company and about 8.64% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$5,250,000.

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among

<b>LETTER FROM THE BOARD</b>
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themselves and with the Shares in issue at the time of the issue and allotment of the Subscription Shares. The Subscription will not result in change of control of the Company.

**The Subscription Price and Payment**

The Subscription Price is HK\$1.00 per Share, which was determined after arm's length negotiation between the Company and Jobstreet with reference to the prevailing market price of the Shares immediately before the announcement of the Company dated 10 April 2008. The Subscription Price represents (i) a discount of about 4.76% to the closing price of HK\$1.05 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 4.03% to the average closing price per Share of HK\$1.042 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; (iii) a discount of about 4.21% to the average closing price per Share of HK\$1.044 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date; and (iv) a discount of about 5.66% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The net price for the Subscription after deduction of the aggregate expenses and costs to be borne by the Company is about HK\$0.99 per Subscription Share.

The consideration for the Subscription, i.e. HK\$26,250,000 in aggregate, shall be paid by Jobstreet upon Completion as follows:

1. HK\$11,250,000 shall be paid in cash; and
2. the remaining HK\$15,000,000 shall be settled by Jobstreet transferring to the Company or its nominee the RGL Shares at the price of HK\$7,500 per RGL Share ("RGL Share Transfer Price"), i.e. HK\$15,000,000 in total.

The RGL Share Transfer Price is determined after arm's length negotiation between the Company and Jobstreet with reference to the price of HK\$7,500 per RGL Share paid by Jobstreet in 2007 to subscribe for the RGL Shares, the details of which are set out in the Company's announcement dated 7 February 2007.

**Information about RGL**

RGL is an investment holding company, and the principal activities of its subsidiaries include provision of recruitment advertising services and publishing business in Hong Kong (the "Business"). As at the Latest Practicable Date, RGL is indirectly owned as to 75.5% by the Company, and 20% owned by Jobstreet and 4.5% owned by an independent third party. Upon transfer of the RGL Shares by Jobstreet



<b>LETTER FROM THE BOARD</b>
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to the Company as mentioned above in accordance with the terms of the Subscription and Share Swap Agreement, Jobstreet will cease to be a shareholder of RGL and RGL will become an indirect 95.5% owned subsidiary of the Company, while the said independent third party will hold the remaining 4.5% shareholding in RGL.

RGL had been an indirect 95%-owned subsidiary of the Company until Jobstreet acquired the RGL Shares pursuant to the Subscription and S&P Agreement in 2007, and the Company has not acquired any shares in RGL save for the proposed acquisition as disclosed herein.

On 31 January 2007, the Group underwent certain restructuring and as a result certain businesses were carved out from 3 subsidiaries which were then injected into RGL and became its subsidiaries. The net asset value of RGL and its subsidiaries was approximately HK\$25,900,000 as at 31 December 2007. The net profits attributable to RGL and its subsidiaries for the period from 1 February 2007, i.e. right after the said restructuring, to 31 December 2007 before and after taxation and extraordinary items are HK\$22,600,000 and HK\$18,500,000 respectively. In accordance with the management accounts of the subsidiaries of RGL, the net profits attributable to the Business for the year ended 31 December 2006 before and after taxation and extraordinary items are HK\$21,600,000 and HK\$19,800,000 respectively, and the net profits attributable to the Business for the year ended 31 December 2007 before and after taxation and extraordinary items are HK\$24,500,000 and HK\$20,400,000 respectively. The accounts of RGL have been prepared under the Hong Kong generally accepted accounting principles, and there will not be any change to the accounting treating of RGL and RGL's accounts will continue to be consolidated into those of the Company upon Completion.

**Conditions**

The Subscription is conditional upon, among other things, the following:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (ii) approval by the independent Shareholders.

If the conditions set out in the Subscription and Share Swap Agreement are not fulfilled by 5:00 p.m. on 9 May 2008, the Subscription and Share Swap Agreement will terminate automatically.

Application has been made to the Stock Exchange to grant the listing of, and permission to deal in, the Subscription Shares.

<b>LETTER FROM THE BOARD</b>
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## **Lock-Up**

Jobstreet undertakes that it will not dispose of 16,250,000 Shares out of the Subscription Shares for a period of 36 months from the date of allotment thereof, and not to dispose of the other Subscription Shares for a period of 18 months from the date of allotment thereof. If Jobstreet breaches such undertaking, it shall compensate the Company by paying a sum equal to the product of (a) the number of Subscription Shares which Jobstreet has disposed of in breach of this undertaking and (b) the difference between the price per Share Jobstreet receives for such disposal and HK\$1.00, or HK\$1.00, whichever is higher.

### **3. NON-EXERCISE OF THE RESALE OPTION**

Pursuant to the Subscription and S&P Agreement, Jobstreet granted the Resale Option to the Company for acquisition of the RGL Shares. The exercise of the Resale Option is at the Company's discretion.

As Jobstreet is to transfer the RGL Shares to the Company or its nominee as part of the consideration under the Subscription and Share Swap Agreement, the Resale Option will be foregone.

### **4. MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

Given that the Subscription has been approved by independent Shareholders by way of a written approval as explained in detail under the paragraph headed "Listing Rules Implications" hereinbelow, the Subscription Shares will be allotted and issued under the general mandate granted to the Directors pursuant to a resolution passed at the SGM, subject to the limit of up to 20% of the issued share capital of the Company as at the date of passing such resolution at the SGM (i.e. 55,255,200 Shares). The Company has not exercised such general mandate to allot and issue any Shares prior to entering into the Subscription and Share Swap Agreement, and the Company has not undertaken any equity fund raising activities in the 12 months immediately prior to the date of the announcement of the Subscription.

### **5. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The shareholding structure of the Company before and after Completion is set out below:

<b>Name of Shareholders</b>	<b>Before Completion</b>		<b>After Completion</b>	
	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>
City Apex Limited ( <i>Note 1</i> )	177,954,000	64.08	177,954,000	58.54
ER2 Holdings Limited ( <i>Note 1</i> )	940,000	0.34	940,000	0.31

<b>LETTER FROM THE BOARD</b>
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The Director - Mr. Lau Chuk Kin

<i>(Note 1)</i>	1,266,000	0.46	1,266,000	0.42
The Directors – others <i>(Note 2)</i>	<u>1,187,000</u>	<u>0.42</u>	<u>1,187,000</u>	<u>0.39</u>
Sub-total of non-public shareholders	181,347,000	65.30	181,347,000	59.66
GEC and its associates	21,788,000	7.85	21,788,000	7.17
Jobstreet <i>(Note 3)</i>	0	0	26,250,000	8.64
Other Public Shareholders	<u>74,581,000</u>	<u>26.85</u>	<u>74,581,000</u>	<u>24.53</u>
Sub-total for All Public Shareholders <i>(Note 4)</i>	96,369,000	34.70	122,619,000	40.34
Total:	<u>277,716,000</u>	<u>100.00</u>	<u>303,966,000</u>	<u>100.00</u>

*Notes:*

1. *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.*
2. *The other Directors include Mr. Cheng Ping Kuen, Ms. Chow So Chu, Ms. Ho Suk Yi, Mr. Lee Ching Ming, Adrian and Mr. Peter Stavros Patapios Christofis.*
3. *Upon Completion, Jobstreet will cease to be a substantial shareholder and connected person of the Company, and thus will be a public Shareholder.*
4. *Public Shareholders include GEC and its associates, Jobstreet and other public Shareholders.*

## 6. INFORMATION OF THE PARTIES

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 Main Board 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, investment holding and the provision of interactive marketing services.

## 7. REASONS FOR AND BENEFITS OF THE TRANSACTION

Since the completion of the Subscription and S&P Agreement, the Company and Jobstreet have had a close and fruitful business relationship, and both parties have the intention of expanding the cooperation. The Directors consider that the Subscription represents a good opportunity to extend the scope of cooperation with Jobstreet and raise capital for the Company. The Directors also consider that

<b>LETTER FROM THE BOARD</b>
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receiving the RGL Shares from Jobstreet as part of the consideration under the Subscription and Share Swap Agreement instead of cash has the benefit of strengthening the Company's control over RGL and its subsidiaries. The Directors consider the Subscription and the terms of the Subscription and Share Swap Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Company will bear an aggregate expenses and costs of about HK\$180,000 incurred in relating to the Subscription.

The net proceeds in aggregate of about HK\$11,070,000 from the Subscription are intended to be used as general working capital.

#### **8. LISTING RULES IMPLICATION**

The acquisition of the RGL Shares by the Company from Jobstreet, a connected person of the Company, under the Subscription and Share Swap Agreement constitutes a discloseable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules, and is subject to approval by the independent Shareholders. Pursuant to Rule 14A.43 of the Listing Rules, (a) no Shareholder is required to abstain from voting if a general meeting of the Company were convened to approve the Subscription, and (b) the Company has on 10 April 2008 obtained written approval of the Subscription from City Apex Limited, the controlling Shareholder holding 177,954,000 Shares, i.e. about 64.08% of the existing issued share capital of the Company.

As all the conditions set out in Rule 14A.43 of the Listing Rules are met by the Company, the said written approval is acceptable under the Listing Rules in lieu of holding a general meeting to approve the Subscription, and thus the Company shall not be required to hold such a general meeting.

#### **9. GENERAL**

The Company has established the Independent Board Committee comprising all three independent non-executive Directors and has appointed the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in respect of the Subscription.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

<b>LETTER FROM THE BOARD</b>
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**10. FINANCIAL EFFECT OF THE SUBSCRIPTION**

Assuming the market price of the Subscription Shares at Completion is HK\$1.00, the share capital and the share premium of the Company will be increased by HK\$26,250,000 upon Completion. There will be no effect on earnings of the Group immediately after Completion. Current assets of the Group will be increased by the net proceeds of approximately HK\$11,070,000, being the sum of cash consideration of HK\$11,250,000 minus total expenses of about HK\$180,000 incurred in relating to the Subscription. Current liabilities of the Group will be decreased by the dividend obligation to Jobstreet, such obligation will be terminated upon Completion and the amount of which will be determined at Completion. There will be goodwill arising from the Subscription, the amount of which can only be determined with reference to the carrying value of the net assets of RGL at Completion and the market price at which the Subscription Shares are issued. The Company's shareholding interest in RGL will be increased from 75.5% to 95.5% and RGL's financial results and assets and liabilities will remain to be consolidated in the consolidated financial statements of the Company. In this respect, the attributable amount of minority interests of the Group will be changed from 24.5% to 4.5% at Completion.

**11. RECOMMENDATION**

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 10 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Subscription; and (ii) the letter from the Independent Financial Adviser set out on pages 11 to 21 of this circular which contains its advice to the Independent Board Committee and the independent Shareholders in respect of the fairness and reasonableness of the terms of the Subscription and the Subscription and Share Swap Agreement.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Subscription is in the interests of the Company and the independent Shareholders as a whole and that the terms of the Subscription and Share Swap Agreement are fair and reasonable so far as the Company and the independent Shareholders are concerned. Accordingly, The Board considers that the ordinary resolution which would have been proposed at the general meeting of the Company to approve the Subscription is in the interests of the Company and the independent Shareholders and recommends the independent Shareholders to vote in favour of such resolution.

<b>LETTER FROM THE BOARD</b>
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**12. PROCEDURES FOR DEMANDING A POLL**

Subject to the requirements pursuant to Bye-law 66 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of such meeting; or
- (b) at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) a person who is required under the rules of the designated stock exchange to demand a poll.

**13. ADDITIONAL INFORMATION**

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

Yours faithfully,

By order of the Board

**Ho Suk Yi**

Director



**RECRUIT HOLDINGS LIMITED**  
**才庫媒體集團有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 550)

25 April 2008

*To: the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION**

**SUBSCRIPTION OF NEW SHARES AND ACQUISITION OF SHARES IN A NON-WHOLLY OWNED SUBSIDIARY FROM A CONNECTED PERSON**

We refer to the circular of the Company dated 25 April 2008 of the Company (the "Circular") to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the independent Shareholders in respect of the terms under the Subscription and Share Swap Agreement, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser set out on pages 1 to 9 and pages 11 to 21 of the Circular respectively.

Having taken into account the advice of the Independent Financial Adviser, we consider that the Subscription is in the interests of the Company and the independent Shareholders as a whole and the terms of the Subscription and Share Swap Agreement are fair and reasonable so far as the Company and the independent Shareholders are concerned. Accordingly, we recommend the independent Shareholders to vote in favour of the resolution which would have been proposed at the general meeting of the Company to approve the Subscription.

Yours faithfully  
**Ling Lee Ching Man, Eleanor,**  
**Cheng Ping Kuen, Franco,**  
**Tyen Kan Hee, Anthony**  
*Independent Board Committee*

*\* For identification purpose only*

<b>APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED</b>
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*The following is the full text of the letter of advice to the Independent Board Committee and the Shareholders from Access Capital Limited prepared for the purpose of incorporation in this circular.*



Suite 606, 6<sup>th</sup> Floor  
Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

25 April 2008

*To: The Independent Board Committee  
and the Independent Shareholders of Recruit Holdings Limited*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION**

**SUBSCRIPTION OF NEW SHARES AND ACQUISITION OF SHARES IN A  
NON-WHOLLY OWNED SUBSIDIARY FROM A CONNECTED PERSON**

**I. INTRODUCTION**

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Shareholders with regard to the terms of the discloseable and connected transaction, details of which are contained in the “Letter from the Board” of the circular to the Shareholders dated 25 April 2008 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise specifies.



## **APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED**

On 10 April 2008, the Board announced that on 10 April 2008, the Company entered into the Subscription and Share Swap Agreement with Jobstreet pursuant to which Jobstreet has conditionally agreed to subscribe, pursuant to the terms of the Subscription and Share Swap Agreement, for 26,250,000 new ordinary shares of HK\$0.20 each in the capital of the Company, the Subscription Shares, at a Subscription Price of HK\$ 1.00 per Share, making a total consideration of HK\$26,250,000. The Company has made applications to the relevant parties and/or authorities for their consents and/or approvals as shall be required for the Subscription and the listing and quotation of the Subscription Shares on the Main Board of The Stock Exchange of Hong Kong Limited.

Acquisition of RGL Shares by the Company from Jobstreet, which is a substantial shareholder of RGL and thus a connected person of the Company, constitutes a discloseable and connected transaction under Chapters 14 and 14A of the Listing Rules, and is subject to approval by independent Shareholders.

However, pursuant to Rule 14A.43 of the Listing Rules where no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of a connected transaction, a written resolution from the shareholders or a closely allied group of shareholders who together hold more than 50% in nominal value of the Shares to approve the Subscription is sufficient. The Company has on 10 April 2008 obtained written approval of the Subscription from City Apex by way of a written certificate.

As at the Latest Practicable Date, City Apex held 177,954,000 Shares, representing in aggregate approximately 64.08% of the existing issued share capital of the Company.

## **II. THE INDEPENDENT BOARD COMMITTEE**

The Board currently consists of three executive Directors, namely Mr. Lau Chuk Kin, Ms. Ho Suk Yi and Ms. Chow So Chu, four non-executive Directors namely Mr. Wan Siu Kau, Mr. Lee Ching Ming, Adrian, Mr. Peter Stavros Patapios Christofis and Ms. Lam Mei Lan and three independent non-executive Directors, namely Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Tyen Kan Hee, Anthony.

We have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription are on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and to give our opinion in relation to the terms of the Subscription for their consideration.

### **III. BASIS AND ASSUMPTIONS OF THE ADVICE**

In formulating our advice, we have relied solely on the statements, information, opinions and representations for matters relating to the Group contained in the Circular and the information, expectations, and representations provided to us by the Company and/or its senior management staff and/or the Directors. We have assumed that all such statements, information, expectations, opinions and representations for matters relating to the Group contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations for matters relating to the Group made or provided by the Directors and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the business and affairs of the Company or any of its subsidiaries.

### **IV. PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our recommendation, we have taken into consideration the following principal factors and reasons:

#### **1. Background to and rationale for the Subscription**

##### *1.1 Subscription and S&P Agreement*

On 31 January 2007, the Group underwent certain restructuring and as a result certain businesses were carved out from three subsidiaries which were then injected into RGL and became subsidiaries of RGL. RGL is, therefore, an investment holding company and the principal activities of its subsidiaries include provision of recruitment advertising services and publishing business in Hong Kong.

## **APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED**

By the Subscription and S&P Agreement dated 7 February 2007 entered into between, inter alia, Jobstreet and the Company, Jobstreet acquired the RGL Shares, the Acquisition. The Directors considered that the Acquisition was beneficial to the Group because it (1) allowed the Group to gain access to Jobstreet's recruitment technology and business model, which could enhance the Group's operations and (2) brought in additional investment and funding to RGL Group.

At the same time, Jobstreet granted to RGL a licence to use its existing online recruit technology free of charge for a period of 24 months or so long as Jobstreet remains as a shareholder of RGL and/or of the Company, whichever is shorter.

### *1.2 Reasons for and benefits of the Subscription*

As at the date hereof, RGL is indirectly owned as to 75.5% by the Company, and 20% owned by Jobstreet. Upon transfer of the RGL Shares by Jobstreet to the Company as mentioned above in accordance with the terms of the Subscription and Share Swap Agreement, Jobstreet will cease to be a shareholder of RGL and RGL will become an indirect 95.5% owned subsidiary of the Company.

Since the completion of the Subscription and S&P Agreement, the Directors consider that the Company and Jobstreet have developed a close and fruitful business relationship and consequently both parties have the intention of expanding the cooperation.

Therefore, the Directors believe that the Subscription represents a good opportunity to extend the scope of cooperation with Jobstreet and align the interest of Jobstreet with those of the Group, while at the same time broadening the Company's shareholder base through the addition of a significant shareholding from a strategic investor. Furthermore, with part of the Subscription Price comprising HK\$11,250,000 in cash the Directors believe that the Subscription will be a means to raise capital for the Company, with the net cash proceeds of the Subscription being used as general working capital for the Group and increasing the net assets of the Group. In addition, the Directors also consider that receiving the RGL Shares from Jobstreet as part of the consideration under the Subscription and Share Swap Agreement instead of cash has the benefit of strengthening the Company's control over RGL and its subsidiaries and streamlining the administration of the Group by removing one of the two minority interests in RGL, which will enhance the consolidated net income position of the Group. Consequently, the Directors consider the Subscription and the terms of the Subscription and Share Swap Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Taking into account the background to, and reasons for, the Subscription and the good relationship that the Directors believe has developed between the Company and Jobstreet, particularly as it relates to the licensing of the Jobstreet online recruit technology, we concur with the view of the

Directors that the strengthening of the relationship with Jobstreet by aligning the interests of Jobstreet with those of the Company through Jobstreet becoming a shareholder of the Company will be beneficial to the Group's business and hence, we concur with the view of the Directors that the Subscription is in the interests of the Company and the Shareholders as a whole.

## **2. The Subscription and Share Swap Agreement**

### *2.1 Parties*

Issuer: The Company.

Investor: Jobstreet.

Jobstreet is a company incorporated in Malaysia, the shares of which are listed on the Main Board 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, investment holding and the provision of interactive marketing services.

### *2.2 The Subscription Shares:*

The Subscription Shares represent about 9.45% of the existing issued share capital of the Company and about 8.64% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of the issue and allotment of the Subscription Shares.

### *2.3 Consideration for the Subscription and Share Swap Agreement and the method of settlement*

The Company has agreed to allot and issue the Subscription Shares to JobStreet for the Subscription Price comprising (i) HK\$11,250,000.00 in cash and (ii) the remaining HK\$15,000,000 to be settled by Jobstreet transferring to the Company or its nominee the RGL Shares at the price of HK\$7,500 per RGL Share.

### *2.4 Lock Up*

Jobstreet has undertaken that it will not dispose of 16,250,000 Shares out of the Subscription Shares for a period of 36 months from the date of allotment thereof, and not to dispose of the other Subscription Shares for a period of 18 months from the date of allotment thereof. If Jobstreet breaches such undertaking, it shall compensate the Company by paying a sum equal to

## APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED

the product of (a) the number of Subscription Shares which Jobstreet has disposed of in breach of this undertaking and (b) the difference between the price per Share Jobstreet receives for such disposal and HK\$1.00, or HK\$1.00, whichever is higher.

### 2.5 Conditions

Completion of the Subscription is conditional upon the satisfaction of the following conditions, among others:

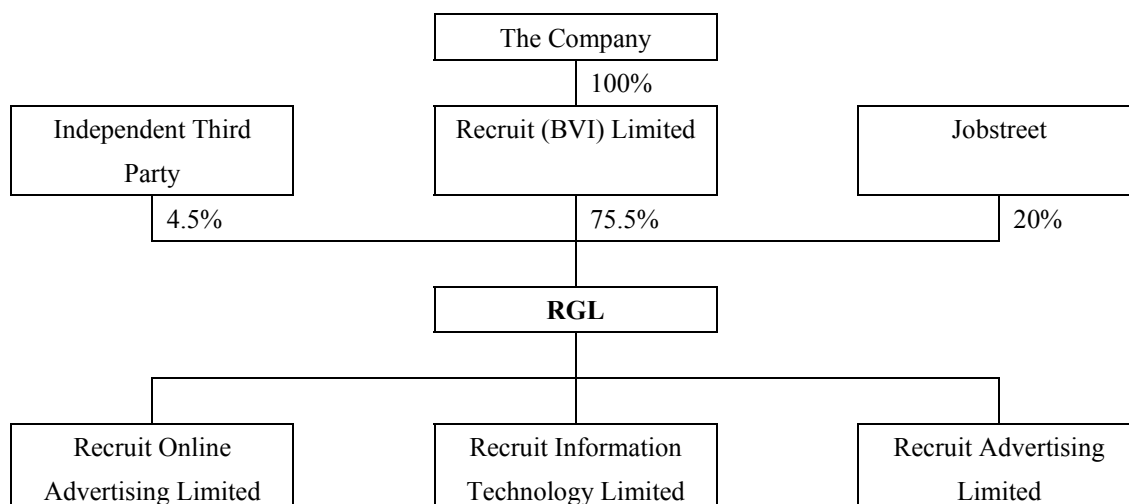
- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (ii) approval by the independent Shareholders.

### 3. Shareholding Structure of RGL

As at the date immediately before Completion, RGL is indirectly owned as to 75.5% by the Company, and 20% owned by Jobstreet and 4.5% owned by an independent third party. Upon transfer of the RGL Shares by Jobstreet to the Company as mentioned above in accordance with the terms of the Subscription and Share Swap Agreement, Jobstreet will cease to be a shareholder of RGL and RGL will become an indirect 95.5% owned subsidiary of the Company, while the said independent third party will hold the remaining 4.5% shareholding in RGL.

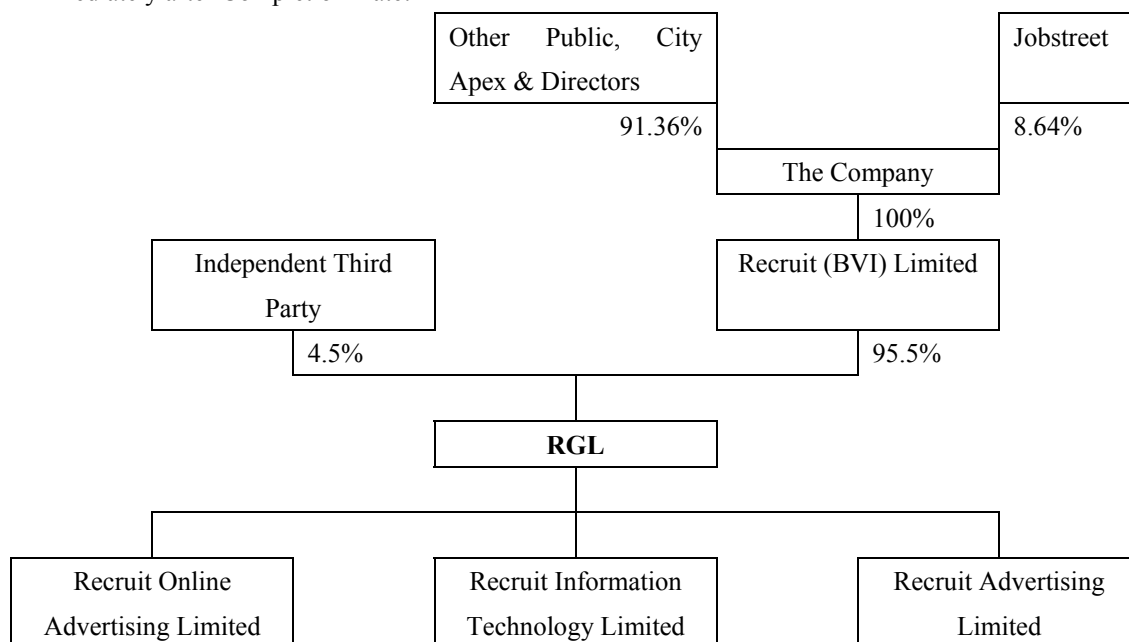
The following diagrams illustrate the shareholding structure of RGL immediately before and after Completion.

Immediately before Completion Date:



## APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED

Immediately after Completion Date:



#### 4. Information about RGL

RGL was incorporated in the British Virgin Islands in January 2007 and is a non wholly-owned subsidiary of Recruit (BVI) Limited (a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company) and thus RGL is an indirect non wholly-owned subsidiary of the Company. RGL is an investment holding company and is used as the holding company of three subsidiaries, namely Recruit Advertising Limited, Recruit Information Technology Limited and Recruit Online Advertising Limited, the principal activities of which subsidiaries include provision of recruitment advertising services and publishing business in Hong Kong (the “Business”).

On 31 January 2007, the Group underwent certain restructuring and as a result certain businesses were carved out from three subsidiaries which were then injected into RGL and became its subsidiaries. The net asset value of RGL and its subsidiaries was approximately HK\$ 25,900,000 as at 31 December 2007. In accordance with the management accounts of the subsidiaries of RGL, the net profit attributable to the Business for the years ended 31 December 2006 and 2007 before and after taxation and extraordinary items:

Year ended 31 December	Net profit before taxation and extraordinary items (Approximate HK\$)	Net profit after taxation and extraordinary items (Approximate HK\$)
2006	21,600,000	19,800,000
2007	24,500,000	20,400,000

## APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED

As a part of the terms of the Subscription and S&P Agreement, Jobstreet and RGL have negotiated an agreement whereby Jobstreet has granted to RGL a licence to use Jobstreet's 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, whichever is shorter.

### **5. Factors in assessing the consideration of the Subscription**

#### *5.1 Comparison with market prices of the Shares*

The Subscription Price is HK\$1.00 per Share, which was determined after arm's length negotiation between the Company and Jobstreet with reference to the prevailing market price of the Shares. The Subscription Price of HK\$1.00 also represents:

- (i) a discount of about 4.76% to the closing price of HK\$ 1.05 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of about 4.03% to the average closing price per Share of HK\$ 1.042 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date;
- (iii) a discount of about 4.21% to the average closing price per Share of HK\$ 1.044 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date; and
- (iv) a discount of about 5.66% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

#### *5.2 Mandate to Issue the Subscription Shares*

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors pursuant to a resolution passed at the SGM, subject to the limit of up to 20% of the issued share capital of the Company as at the date of passing such resolution at the SGM (i.e. 55,255,200 Shares). The Company has not exercised such general mandate to allot and issue any Shares prior to entering into the Subscription Agreement, and the Company has not undertaken any equity fund raising activities in the 12 months immediately prior to the date of the announcement of the Subscription.

#### *5.3 Subscription Price*

The Subscription Price is made up of cash of HK\$11,250,000 and the remaining HK\$15,000,000 in the form of 2,000 RGL Shares at price of HK\$ 7,500 per RGL Share.

The 2000 RGL Shares were the subject of the Acquisition in February 2007 by Jobstreet. The valuation implied by the Acquisition of 20% of RGL for HK\$15,000,000 was HK\$75,000,000,

## APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED

equivalent to a price earnings ("PE") multiple of 3.78 times based on the net profit after tax attributable to the Business for the year ended 31 December 2006.

The Directors of the Company have advised that there has not been any major issue in the business environment in which the Company and RGL are operating or that RGL has had any fundamental change in the business model and assumptions of valuation in the foreseeable future. Therefore, almost the same valuation for the 2,000 RGL Shares is being adopted by the Company, namely HK\$75,000,000, being equivalent to a PE multiple of 3.68 times based on the net profit after tax attributable to the Business for the year ended 31 December 2007, which was HK\$20,400,000.

The PE multiple for the Company on the date of the Subscription and Share Swap Agreement was approximately 5.0 times and that of Jobstreet was approximately 18.2 times. Therefore, the price and implied valuation at which the Company is purchasing the RGL Shares from Jobstreet is at a lower PE multiple than the original sale and issue valuation multiple in February 2007 and is at a lower PE multiple than that of the Company and Jobstreet, which is in a similar line of business to the Business of RGL.

Having considered the factors outlined above, we concur with the view of the Directors that the consideration under the Subscription to be fair and reasonable, and is in the interest to the Company and its Shareholders as a whole.

## **6. Other effects on the Group and the Shareholders**

### **6.1 Shareholding**

The shareholding positions of the Company before and after Completion are set out below:

<u>Name of Shareholders</u>	<u>Before Completion</u>		<u>After Completion</u>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Jobstreet	0	0	26,250,000	8.64
City Apex	177,954,000	64.08	177,954,000	58.54
Other Shareholders (including public)	99,762,000	35.92	99,762,000	32.82
Total	277,716,000	100.00	303,966,000	100.00

Immediately after the transfer of the RGL Shares by Jobstreet to the Company as mentioned above in accordance with the terms of the Subscription and Share Swap Agreement, Jobstreet will cease to be a shareholder of RGL and RGL will become an indirect 95.5% owned subsidiary of the Company. On this basis, the interest of the other Shareholders (including the public other



## **APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED**

than Jobstreet) will be diluted from approximately 35.92% (as at the Latest Practicable Date) to approximately 32.82% of the enlarged issued share capital of the Company following the issue of the Subscription Shares, representing a dilution effect of approximately 8.64%.

Pursuant to the Subscription and Share Swap Agreement, Jobstreet is subject to a lock up arrangement with respect to the Subscription Shares. We consider that this arrangement will ensure that Jobstreet continues as a shareholder of the Company and thereby allows the Group to continue to use the online recruit technology of Jobstreet on the agreed terms for the full 24-month period.

Also taking into account the other reasons and factors set out in this letter, in particular, the Subscription Price and the fruitful relationship that has developed between Jobstreet and the Group through, among other factors, the agreement for RGL to use the online recruit technology of Jobstreet under licence, we are of the view that the dilution effect to the existing public Shareholders as a result of issuing Subscription Shares is acceptable.

### **6.2 *Financial Effect of the Subscription***

Assuming the market price of the Subscription Shares at Completion is HK\$1.00, the share capital and the share premium of the Company will be increased by HK\$26,250,000 upon Completion. There will be no effect on earnings of the Group immediately after the transaction. Current assets of the Group will be increased by the net proceeds of approximately HK\$11,070,000, being the sum of cash consideration of HK\$11,250,000 minus total expenses of about HK\$180,000 incurred in relating to the Subscription. Current liabilities of the Group will be decreased by the dividend obligation to Jobstreet, such obligation will be terminated upon Completion and the amount of which will be determined at Completion. There will be goodwill arising from the Subscription, the amount of which can only be determined with reference to the carrying value of the net assets of RGL at Completion and the market price at which the Subscription Shares are issued. The Company's shareholding interest in RGL will be changed from 75.5% to 95.5% and RGL's financial results and assets and liabilities will remain to be consolidated in the consolidated financial statements of the Company. In this respect, the attributable amount of minority interests of the Group will be changed from 24.5% to 4.5% at Completion.

## **RECOMMENDATION**

In considering the terms of the Subscription, we have taken into account the following factors:

- the reasons for and benefits of the Subscription;

<b>APPENDIX II - LETTER FROM ACCESS CAPITAL LIMITED</b>
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- the terms of the Subscription and Share Swap Agreement and the condition precedents and the fulfillment of all relevant consents /approval; and
- the Subscription Price and the price for the RGL Shares.

After having considered the above principal factors and based on the information provided and the representations made to us, we consider the terms of the Subscription and Share Swap Agreement to be on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and that the Subscription is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the resolution which would have been proposed at the general meeting of the Company to approve the Subscription.

Yours faithfully  
For and on behalf of  
**Access Capital Limited**

Alexander Tai  
Principal Director

## APPENDIX III - GENERAL INFORMATION

### (1) RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, which to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### (2) DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules were as follows:

#### Long positions in the Shares of the Company

Directors	Personal Interests	Family Interests	Corporate Interests	Total	Percentage of issued share capital of the Company
Lau Chuk Kin ( <i>Note 1</i> )	1,266,000	Nil	178,894,000	180,160,000	64.87
Lee Ching Ming, Adrian ( <i>Note 2</i> )	100,500	50,000	Nil	150,500	0.05
Peter Stavros Patapios Christofis	670,500	Nil	Nil	670,500	0.24
Cheng Ping Kuen, Franco	120,000	Nil	Nil	120,000	0.04
Ho Suk Yi	198,000	Nil	Nil	198,000	0.07
Chow So Chu	48,000	Nil	Nil	48,000	0.02

Notes :

1. Of 180,160,000 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.

### APPENDIX III - GENERAL INFORMATION

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, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

#### (3) SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors and chief executive of the Company, the following person and companies (other than the Directors or chief executive of the Company) had, or were deemed or taken to have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, 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 meeting of any other member of the Group or had any option in respect of such capital:

##### (a) The Company

Name of shareholder	Number of Shares	Percentage to the issued share capital of the Company
Lau Chuk Kin ( <i>Note 1</i> )	180,160,000	64.87

<b>APPENDIX III - GENERAL INFORMATION</b>
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ER2 Holdings Limited (Note 1)	178,894,000	64.42
City Apex Limited (Note 1)	177,954,000	64.08
Tai Wah Investment Company Limited (Note 2)	22,000,000	7.92
Chan Family Investment Corporation Limited (Note 2)	24,115,333	8.68
Great Eagle Holdings Limited (Note 3)	21,638,000	7.79
Jolly Trend Limited (Note 3)	21,638,000	7.79
The Great Eagle Company, Limited (Note 3)	21,638,000	7.79
Lo Ka Shui (Note 4)	21,788,000	7.85

*Notes:*

- Of the 180,160,000 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.*
- Of these shares, 1,117,333 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.*
- Each of Great Eagle Holdings Limited and Jolly Trend Limited is deemed to be interested in the 21,638,000 shares owned by The Great Eagle Company, Limited.*
- Of these shares, 21,638,000 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. In addition, Dr. Lo Ka Shui has personal interest in 150,000 shares.*

<b>APPENDIX III - GENERAL INFORMATION</b>
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**(b) Other members of the Group**

<b>Name of subsidiary</b>	<b>Name of shareholder</b>	<b>Proportion of nominal value of issued capital held</b>
1010 Group Limited	Global Resources Services Limited	15.00
Recruit Group Limited	Jobstreet Corporation Berhad	20.00
1010 Printing (UK) Limited	Simon Hodson	24.50

Save as disclosed above, the directors and chief executive of the Company were not aware of any entities or persons who had an interest or short position 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 member of the Group as at the Latest Practicable Date.

**(4) DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

**(5) LITIGATION**

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against any member of the Group.

## APPENDIX III - GENERAL INFORMATION

### (6) COMPETING INTERESTS

Interests of the Directors in competing businesses required to be disclosed pursuant to of the Listing Rules are as follows:

Director	Name of companies	Nature of competing business	Nature of interest
Lau Chuk Kin ( <i>Note</i> )	International Resources Group Limited ("IRG")	Executive search in the United Kingdom	As a director and shareholder with an interest in IRG of approximately 1%

*Note: Mr. Lau Chuk Kin is a director and shareholder of IRG. IRG is a subsidiary of OPD Group, a company providing human resources / recruitment consulting services with a focus on senior executive and board level appointments and is listed on the London Stock Exchange, while the Group provides staff selection service which forms only a minimal part of the Group's turnover as an ancillary service for promoting its recruitment publication in Shanghai. IRG is managed by OPD Group, a separate publicly listed company with independent management in the United Kingdom. Having considered the (i) nature, scope and size of the IRG businesses; and (ii) the nature and extent of Mr. Lau's interest in IRG, the directors of the Company believe that there is a clear delineation and no competition between the businesses of the Group and IRG.*

Save as disclosed in this section, as the Directors are aware, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or likely to compete with the business of the Group.

### (7) MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007 being the date up to which the latest published audited consolidated financial statements of the Group were made up.

<b>APPENDIX III - GENERAL INFORMATION</b>
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**(8) EXPERT AND CONSENT**

The following is the qualification of the expert who has given advice which is contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Access Capital Limited	Licensed corporation under the SFO for carrying out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities

As at the Latest Practicable Date, Access Capital Limited did not have:

- (a) any direct or indirect interest in any assets which have since 31 December 2007 (being the date to which the latest published audited consolidated accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; or
- (b) any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Access Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/ or references to its name in the form and context in which it appears.

**(9) MISCELLANEOUS**

- (a) The company secretary and qualified accountant of the Company is Ms Ho Suk Yi, who is a qualified accountant and a member of both Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its head office and principal place of business of the Company in Hong Kong is at 26<sup>th</sup> Floor, 625 King's Road, North Point, Hong Kong.
- (c) The Hong Kong branch share registrars of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1806 to 1807, 18<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.



<b>APPENDIX III - GENERAL INFORMATION</b>
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- (d) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

**(10) DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 26<sup>th</sup> Floor, 625 King's Road, North Point, Hong Kong for a period of 14 days from the date of this circular:

1. the Subscription and Share Swap Agreement;
2. the letter from the Independent Financial Adviser, the text of which is set out in this circular.