

**RECRUIT HOLDINGS LIMITED**

才庫媒體集團有限公司*

(continued in Bermuda with limited liability)

(Stock code: 0550)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007****AUDITED RESULTS**

The board of directors (the “Board”) of Recruit Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2007, together with the comparative figures for the year ended 31 December 2006 as follows:

Consolidated Income Statement**For the year ended 31 December 2007**

	Notes	2007 HK\$'000	2006 HK\$'000
Revenue and turnover	3	439,075	298,333
Direct operating costs		(285,686)	(182,526)
Gross profit		153,389	115,807
Other operating income		27,291	14,977
Gain on disposal of investment properties		-	12,114
Selling and distribution costs		(65,575)	(41,333)
Administrative expenses		(40,382)	(32,598)
Other operating expenses		(1,503)	(2,087)
Operating profit		73,220	66,880
Finance costs	5	(1,260)	(2,618)
Profit before income tax	6	71,960	64,262
Income tax expense	7	(4,918)	(5,982)
Profit for the year		67,042	58,280
Attributable to :			
Equity holders of the Company		57,904	55,102
Minority interests		9,138	3,178
Profit for the year		67,042	58,280
Dividends	8	19,440	26,106
Earnings per share for profit attributable to the equity holders of the Company during the year	9		
Basic		HK20.96 cents	HK20.07 cents
Diluted		HK20.88 cents	HK19.94 cents

Consolidated Balance Sheet
As at 31 December 2007

	Notes	2007 HK\$'000	2006 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	81,156	74,257
Prepaid land lease payments	11	1,013	1,034
Interests in associates		-	1,411
		82,169	76,702
Current assets			
Inventories	12	32,100	15,455
Trade and other receivables and deposits	13	122,598	75,724
Financial assets at fair value through profit or loss	14	1,808	11,452
Advances to associates		96	18,978
Tax recoverable		1,817	-
Cash and cash equivalents		89,199	55,157
		247,618	176,766
Current liabilities			
Trade and other payables	15	76,552	43,611
Finance lease liabilities	16	4,103	3,691
Provision for taxation		5,602	2,855
		86,257	50,157
Net current assets		161,361	126,609
Total assets less current liabilities		243,530	203,311
Non-current liabilities			
Finance lease liabilities	16	10,017	13,714
Deferred tax liabilities		1,612	1,990
		11,629	15,704
Net assets		231,901	187,607
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		55,543	54,960
Reserves		139,970	100,028
Proposed final and special dividends		13,886	20,610
		209,399	175,598
Minority interests		22,502	12,009
Total equity		231,901	187,607

Consolidated Statement of Changes in Equity
For the year ended 31 December 2007

	Equity attributable to equity holders of the Company										Minority interests	Total
	Share capital HK\$'000	Share premium HK\$'000	Employee compensation reserve HK\$'000	Exchange reserve HK\$'000	Merger reserve HK\$'000	Contributed surplus HK\$'000	Capital contribution HK\$'000	Proposed final and special dividends HK\$'000	Retained earnings HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
At 1 January 2006	54,844	54,065	951	65	(43,897)	34,031	521	10,969	25,473	137,022	179	137,201
Currency translation	-	-	-	(20)	-	-	-	-	-	(20)	(4)	(24)
Net results recognised directly in equity	-	-	-	(20)	-	-	-	-	-	(20)	(4)	(24)
Profit for the year	-	-	-	-	-	-	-	-	55,102	55,102	3,178	58,280
Total recognised income and expense for the year	-	-	-	(20)	-	-	-	-	55,102	55,082	3,174	58,256
Shares issued at premium	116	35	-	-	-	-	-	-	-	151	-	151
Share issue expenses	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)
Equity-settled share based payment expenses	-	-	332	-	-	-	-	-	-	332	-	332
Final 2005 dividend (note 8)	-	-	-	-	-	(8)	-	(10,969)	-	(10,977)	-	(10,977)
Interim 2006 dividend paid (note 8)	-	-	-	-	-	(5,488)	-	-	-	(5,488)	-	(5,488)
Proposed final and special 2006 dividends (note 8)	-	-	-	-	-	(20,610)	-	20,610	-	-	-	-
Transfer to minority shareholders	-	-	-	-	-	-	(521)	-	-	(521)	521	-
Capitalisation of loan by minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	8,389	8,389
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	(254)	(254)
At 31 December 2006	54,960	54,097	1,283	45	(43,897)	7,925	-	20,610	80,575	175,598	12,009	187,607

	Equity attributable to equity holders of the Company										Minority interests	Total
	Share capital HK\$'000	Share premium HK\$'000	Employee compensation reserve HK\$'000	Exchange reserve HK\$'000	Merger reserve HK\$'000	Contributed surplus HK\$'000	Capital contribution HK\$'000	Proposed final and special dividends HK\$'000	Retained earnings HK\$'000	Total HK\$'000	HK\$'000	HK\$'000
At 1 January 2007	54,960	54,097	1,283	45	(43,897)	7,925	-	20,610	80,575	175,598	12,009	187,607
Currency translation	-	-	-	(407)	-	-	-	-	-	(407)	(25)	(432)
Net results recognised directly in equity	-	-	-	(407)	-	-	-	-	-	(407)	(25)	(432)
Profit for the year	-	-	-	-	-	-	-	-	57,904	57,904	9,138	67,042
Total recognised income and expense for the year	-	-	-	(407)	-	-	-	-	57,904	57,497	9,113	66,610
Shares issued on exercise of share options	583	2,056	(1,212)	-	-	-	-	-	-	1,427	-	1,427
Share issue expenses	-	(9)	-	-	-	-	-	-	-	(9)	-	(9)
Share options forfeited	-	-	(71)	-	-	-	-	-	71	-	-	-
Final 2006 dividend paid (note 8)	-	-	-	-	-	-	-	(20,610)	-	(20,610)	-	(20,610)
Interim 2007 dividend paid (note 8)	-	-	-	-	-	(5,554)	-	-	-	(5,554)	-	(5,554)
Proposed final 2007 dividend (note 8)	-	-	-	-	-	-	-	13,886	(13,886)	-	-	-
Disposal of partial interests in a subsidiary	-	-	-	-	-	-	-	-	-	-	2,966	2,966
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(536)	(536)
Transfer of dividend entitlement from minority shareholders	-	-	-	-	-	-	-	-	1,050	1,050	(1,050)	-
At 31 December 2007	55,543	56,144	-	(362)	(43,897)	2,371	-	13,886	125,714	209,399	22,502	231,901

1. General information

The Company was incorporated in Cayman Islands as an exempted company on 13 March 2000 and redomiciled to Bermuda by way of de-registration in Cayman Islands and continued as an exempted company under the laws of Bermuda, with limited liability on 29 January 2003. The address of the Company's registered office is 26/F, 625 King's Road, North Point, Hong Kong. On 20 July 2000, the Company's shares were listed on The Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company withdrew the listing of its shares on the GEM of the Stock Exchange on 23 July 2007, and on the same day, by way of introduction, listed its entire issued share capital on the Main Board of the Stock Exchange.

The financial statements of the Company and the subsidiaries (the "Group") have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

2. Adoption of new or amended HKFRSs

In the current year, the Group has applied, for the first time, the following new standards, amendment and interpretations issued by HKICPA, which are relevant and effective for the Group's financial year beginning on 1 January 2007. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

HKAS 1 (Amendment)	Presentation of financial statements - Capital Disclosures
HKFRS 7	Financial Instruments : Disclosures
HK(IFRIC) - Int 8	Scope of HKFRS 2

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements (note 1)
HKAS 23 (Revised)	Borrowing costs (note 1)
HKFRS 8	Operating segments (note 1)
HK(IFRIC) - Int 11	HKFRS 2- Group and treasury share transactions (note 2)
HK(IFRIC) - Int 12	Service concession arrangements (note 3)
HK(IFRIC) - Int 13	Customer loyalty programmes (note 4)
HK(IFRIC) - Int 14	HKAS 19 – The limit on a defined benefit assets, minimum funding requirements and their interaction (note 3)

Note 1	Effective for annual periods beginning on or after 1 January 2009
Note 2	Effective for annual periods beginning on or after 1 March 2007
Note 3	Effective for annual periods beginning on or after 1 January 2008
Note 4	Effective for annual periods beginning on or after 1 July 2008

The directors of the Company anticipate that the application of the above Standards and Interpretations will have no material impact on the results and financial position of the Group.

3. Revenue and turnover

	2007 HK\$'000	2006 HK\$'000
Advertising income	232,143	192,622
Printing income	206,932	105,711
	439,075	298,333

4. Segment information

Primary reporting format - Business segments

The Group is organised on a worldwide basis into three main business segments:

- Advertising – providing advertising services on different publications and magazines.
- Printing – printing of books and magazines.
- Investment – trading of financial assets at fair value through profit or loss.

	Advertising		Printing		Investment		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
- External sales	232,143	192,622	206,932	105,711	-	-	439,075	298,333
Segment results	60,520	36,076	21,650	13,984	60	7,910	82,230	57,970
Unallocated operating income							13,223	15,525
Unallocated operating expenses							(22,233)	(6,615)
Operating profit							73,220	66,880
Finance costs							(1,260)	(2,618)
Profit before income tax							71,960	64,262
Income tax expense							(4,918)	(5,982)
Profit for the year							67,042	58,280
Segment assets	74,860	65,327	198,407	127,296	26,724	28,846	299,991	221,469
Interests in associates							96	20,389
Unallocated assets							29,700	11,610
Total assets							329,787	253,468
Segment liabilities	40,788	24,987	35,588	18,570	20	-	76,396	43,557
Unallocated liabilities							21,490	22,304
Total liabilities							97,886	65,861
Other information								
Amortisation of prepaid land lease payments	21	21	-	-	-	-	21	21
Capital expenditure	876	3,001	20,184	43,174	-	-	21,060	46,175
Depreciation	2,722	3,276	11,078	8,702	-	-	13,800	11,978
Impairment of receivables	964	2,087	539	-	-	-	1,503	2,087

4. Segment information (Continued)

Secondary reporting format - Geographical segments

The Group's operations are located in six main geographical areas. The following table provides an analysis of the Group's sales by geographical market, based on the country in which the customer is located.

Sales by geographical markets:

	2007 HK\$'000	2006 HK\$'000
Hong Kong	116,026	87,657
Mainland China	135,589	111,052
Australia	77,605	72,843
United States	32,171	2,938
United Kingdom	57,508	21,930
New Zealand	11,722	1,598
Others	8,454	315
	439,075	298,333

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, and prepaid land lease payments, analysed by the geographical area in which the assets are located.

	Segment assets		Capital expenditure	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Hong Kong	180,876	126,611	314	3,704
Mainland China	115,824	94,858	19,736	42,471
United Kingdom	3,291	-	1,010	-
	299,991	221,469	21,060	46,175

5. Finance costs

	2007 HK\$'000	2006 HK\$'000
Imputed interest on financial liabilities stated at amortised cost	219	-
Finance lease charges	1,041	2,618
	1,260	2,618

6. Profit before income tax

	2007 HK\$'000	2006 HK\$'000
Profit before income tax is arrived at after charging:		
Amortisation of prepaid land lease payments	21	21
Auditors' remuneration		
Audit services	908	653
Other services	470	350
Cost of inventories recognised as expense	97,592	47,797
Depreciation (Note):		
Owned assets	11,566	10,302
Leased assets	2,234	1,676
Employee benefit expense	48,393	43,059
Impairment of advances to associate	243	-
Impairment of goodwill in associate	1,411	-
Impairment of receivables	1,503	2,087
Loss on disposal and write-off of property, plant and equipment	10	392
Minimum lease payments paid under operating leases in respect of:		
Rented premises and production facilities	6,812	5,704
Internet access line	276	156
Loss on disposal of a subsidiary	811	-
Loss on financial assets at fair value through profit or loss	839	-
Provision for inventories	1,544	-
and after crediting:		
Bad debts recovered	(2,143)	-
Dividend income from listed equity investments	(83)	(1)
Excess over the costs of acquisition of additional interests in a subsidiary	-	(254)
Gain on financial assets at fair value through profit or loss, included in other operating income	-	(9,149)
Gain on partial disposal of investments in subsidiaries	(9,455)	-
Gain from sale of scrap paper and by-products	(3,329)	(1,687)
Interest income on financial assets stated at amortised costs	(1,823)	(827)
Net foreign exchange gain	(5,727)	(1,524)
Operating lease rental income from investment properties	-	(953)
Write back of provision for impairment of advances to associates	(3,492)	-

Note: Depreciation expenses of HK\$10,874,000 (2006 : HK\$9,785,000) and HK\$2,926,000 (2006 : HK\$2,193,000) have been included in direct operating costs and administrative expenses respectively.

7. Income tax expense

Provision for Hong Kong profit tax has been provided at the rate of 17.5% of on the estimated assessable profits for the year (2006: 17.5%). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2007 HK\$'000	2006 HK\$'000
Hong Kong profits tax		
Current year	4,931	5,019
(Over)/ Underprovision in prior years	(152)	33
Overseas profits tax		
Current year	517	-
Deferred taxation		
Current year	(378)	930
	4,918	5,982

8. Dividends

(a) Dividends attributable to the year:

	2007 HK\$'000	2006 HK\$'000
Interim dividend of HK\$0.02 (2006: HK\$0.02) per share	5,554	5,488
Proposed final dividend of HK\$0.05 (2006: HK\$0.05) per share	13,886	13,740
Proposed special dividend of HK\$ Nil (2006: \$0.025) per share	-	6,870
Additional final dividend in respect of the previous financial year	-	8
	19,440	26,106

The final and special dividends proposed after the balance sheet date has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of contributed surplus and retained earnings for each of the two years ended 31 December 2007 and 2006 and a proposed final and special dividends reserve has been set up.

The proposed final and special dividends are to be distributed subsequent to the balance sheet date and are subject to the approval of the Company's equity holders in the forthcoming annual general meeting.

8. Dividends (Continued)

(b) Dividends approved and paid during the year:

	2007 HK\$'000	2006 HK\$'000
Interim dividend of HK\$0.02 (2006: HK\$0.02) per share	5,554	5,488
Final and special dividends in respect of the previous financial year	20,610	10,969
Additional final dividend in respect of the previous financial year	-	8
	26,164	16,465

9. Earnings per share

The calculations of the basic and diluted earnings per share are based on the following data:

	Group	
	2007 HK\$'000	2006 HK\$'000
Profit attributable to the equity holders of the Company	57,904	55,102
	Number of shares	Number of shares
	2007	2006
	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	276,213	274,517
Effect of dilutive potential ordinary shares in respect of share options granted	1,059	1,799
Weighted average number of ordinary shares for the purposes of diluted earnings per share	277,272	276,316

10. Property, plant and equipment

Group	Buildings HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Leasehold improvements HK\$'000	Computer equipment and systems HK\$'000	Motor vehicles HK\$'000	Machinery HK\$'000	Total HK\$'000
At 1 January 2006								
Cost	-	1,874	1,594	11,637	31,869	1,089	24,218	72,281
Accumulated depreciation	-	(789)	(1,167)	(1,412)	(26,028)	(315)	(599)	(30,310)
Net book amount	-	1,085	427	10,225	5,841	774	23,619	41,971
Year ended 31 December 2006								
Opening net book amount	-	1,085	427	10,225	5,841	774	23,619	41,971
Exchange differences	-	6	2	2	28	-	-	38
Additions	453	491	124	1,862	1,757	108	40,325	45,120
Disposals	-	-	-	-	(574)	(320)	-	(894)
Depreciation	(9)	(296)	(113)	(2,684)	(3,240)	(233)	(5,403)	(11,978)
Closing net book amount	444	1,286	440	9,405	3,812	329	58,541	74,257
At 31 December 2006								
Cost	453	2,374	1,705	13,507	31,758	517	64,543	114,857
Accumulated depreciation	(9)	(1,088)	(1,265)	(4,102)	(27,946)	(188)	(6,002)	(40,600)
Net book amount	444	1,286	440	9,405	3,812	329	58,541	74,257
Year ended 31 December 2007								
Opening net book amount	444	1,286	440	9,405	3,812	329	58,541	74,257
Exchange differences	-	26	5	13	69	9	-	122
Additions	-	394	543	2,015	2,825	917	14,366	21,060
Disposals	-	(2)	(10)	-	(175)	(188)	-	(375)
Disposal of subsidiary	-	(14)	-	(51)	(43)	-	-	(108)
Depreciation	(9)	(400)	(168)	(3,098)	(2,988)	(331)	(6,806)	(13,800)
Closing net book amount	435	1,290	810	8,284	3,500	736	66,101	81,156
At 31 December 2007								
Cost	453	2,794	2,163	15,506	31,181	1,256	78,909	132,262
Accumulated depreciation	(18)	(1,504)	(1,353)	(7,222)	(27,681)	(520)	(12,808)	(51,106)
Net book amount	435	1,290	810	8,284	3,500	736	66,101	81,156

The net book amount of property, plant and equipment includes the net carrying amount of HK\$18,941,000 (2006 : HK\$20,664,000) in respect of assets held under finance leases.

The Group's buildings are situated in Hong Kong, which are held under a medium-term lease.

11. Prepaid land lease payments

	Group	
	2007	2006
	HK\$'000	HK\$'000
At 1 January		
Cost	1,055	-
Accumulated amortisation	(21)	-
Net book amount	1,034	-
For the year ended 31 December		
Opening net book amount	1034	-
Addition	-	1,055
Amortisation	(21)	(21)
Closing net book amount	1,013	1,034
As at 31 December		
Cost	1,055	1,055
Accumulated amortisation	(42)	(21)
Net book amount	1,013	1,034

The Group's prepaid land lease payments represent up-front payments to acquire an interest in the usage of land situated in Hong Kong, which is held under a medium-lease term.

12. Inventories

	Group	
	2007	2006
	HK\$'000	HK\$'000
Raw materials	23,333	13,647
Work-in-progress	9,419	1,382
Finished goods	892	426
	33,644	15,455
Less: Provision	(1,544)	-
	32,100	15,455

13. Trade and other receivables and deposits

The Group allows a credit period from 7 days to 150 days (2006: 7 to 150 days) to its customers.

The following is an aging analysis of trade receivables based on sales invoice date and net of provisions, at the balance sheet date:

	Group	
	2007	2006
	HK\$'000	HK\$'000
0 - 30 days	35,731	19,792
31 - 60 days	21,469	13,385
61 - 90 days	15,318	8,602
91 - 120 days	22,083	12,280
121 - 150 days	8,329	6,623
Over 150 days	2,404	2,605
Total trade receivables	105,334	63,287
Other receivables and deposits	17,264	12,437
	122,598	75,724

14. Financial assets at fair value through profit or loss

	Group	
	2007	2006
	HK\$'000	HK\$'000
Held for trading		
Equity securities, listed in Hong Kong	1,808	11,452
Market value of listed securities	1,808	11,452

15. Trade and other payables

The following is an aging analysis of trade payables based on invoice date, at the balance sheet date:

	Group	
	2007	2006
	HK\$'000	HK\$'000
0 – 30 days	25,772	6,554
31 – 60 days	5,577	4,355
61 – 90 days	4,040	4,466
91 – 120 days	2,464	1,161
Over 120 days	6,819	3,980
Total trade payables	44,672	20,516
Other payables	31,880	23,095
	76,552	43,611

Credit terms granted by suppliers are 30 days to 90 days save for the net balance payable to a major business partner of the Group's inflight magazine advertising division that will be settled on an annual basis in March each year according to the terms of an agreement signed with this business partner.

16. Finance lease liabilities

The analysis of the obligations under finance leases is as follows:

	Group	
	2007	2006
	HK\$'000	HK\$'000
Due within one year	4,806	4,667
Due in the second to fifth years	10,684	15,181
	15,490	19,848
Future finance charges on finance lease	(1,370)	(2,443)
Present value of finance lease liabilities	14,120	17,405

The present value of finance lease liabilities is as follows:

	Group	
	2007	2006
	HK\$'000	HK\$'000
Due within one year	4,103	3,691
Due in the second to fifth years	10,017	13,714
	14,120	17,405
Less: Portion due within one year included under current liabilities	(4,103)	(3,691)
Non-current portion included under non-current liabilities	10,017	13,714

The Group entered into finance lease for various items of machineries and motor vehicles. The lease runs for initial periods of three to five years. These leases do not have options to renew or any contingent rental provisions.

CHAIRMAN'S STATEMENT

Dear Shareholders,

2007 turned out to be a year of consolidation for the Group. The migration of our shares to the main board of the Hong Kong Stock Exchange on 23 July 2007 was a milestone in the Group's history. We enjoyed a 47% growth in our revenue and the Group's net profit before minority interests showed a 15% increase.

The buoyant stock market and the generally bullish economic environment resulting in unrealistic asking prices have made our attempts to grow through acquisitions difficult. During the year, the Group took a detailed review of our business portfolio and realigned some of our strategic investments.

We sold our effective interest of 25% in Premier Printing Group Limited, which is also a contract newspaper printer, for a HK\$2 million profit. In November, we exited from the recruitment print advertising business in Shanghai. The last quarter of the year also saw the impact of the Hong Kong Stock Exchange allowing listed companies to publish their results on the Internet came into full force. Revenue for SAR Media division, a subsidiary of the Company, which handles the corporate announcement advertisements, became negligible.

The "Recruit" advertising sales business in Hong Kong continued to retain its leadership position in the segment but pure Internet players have continued their erosion of the share of the recruitment print advertising in Hong Kong. Despite rising costs in distribution and production, this division has maintained its profit contribution. Following our alliance with Jobstreet of Malaysia, we are trying to identify ways to leverage the strong information technology platform our partner offers. We have installed a new management team for the division. Going into 2008, we are confident that the new team will provide the much needed impetus for this division to resume its growth path.

After three years of strenuous battle in Shanghai through our 1010 job magazine and 1010job.com website, we finally terminated our print business in November, though we have kept our 1010job.com website which is gaining traction with jobseekers. The experience drawn from this project will provide much value if we are to undertake other business ventures in China in the future.

The Group's printing division ("1010 Printing") which commenced operation in 2005, continued to perform well. It almost doubled its sales revenue as compared to 2006, though operating margin suffered due to high initial marketing costs. Looking forward, management is upbeat on the future of this division. 1010 Printing has over the past three years, established itself as a quality printer that "delivers". We enjoy a sterling reputation in the trade for meeting delivery deadlines, even in the peak summer season when many of our competitors had to postpone delivery due to over-capacity. In 2008, 1010 Printing will double our production output through the completion of the annex to the existing plant and the installation of equipment with an aggregate investment of approximately HK\$60 million.

Our inflight magazine advertising division continues to perform well. Riding on the tailwind powered by the Beijing Olympics, this division will enjoy solid growth in revenue and earnings in 2008.

We have faced severe challenges in recruiting and retaining high potential middle level managers in the past year. This will be a goal for all our division heads in 2008.

I wish to thank all our staff and business associates for their continued support in the year.

Lau Chuk Kin

Chairman

Hong Kong, 29 February 2008

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2007, the Group's profit attributable to shareholders was HK\$57.9 million, compared with HK\$55.1 million reported in 2006. The profit for the year included a gain of HK\$9.5 million arisen on disposal of 20% interest in Hong Kong recruitment business to a strategic investor, Jobstreet Corporation Berhad, a leader in the online recruitment business in the Asia Pacific region. During the year, professional expenses of HK\$4.6 million was incurred for the migration of the listing of the Company's shares from the Growth Enterprise Market of the Hong Kong Stock Exchange to the Main Board of the Hong Kong Stock Exchange by way of introduction.

Turnover for the year was HK\$439.1 million, representing a 47% increase over that of last year (2006: HK\$298.3 million). The growth in revenue was contributed by (a) the inflight magazine advertising business which had a 42% rise and (b) the printing business which has grown by 96%.

BUSINESS REVIEW

Advertising Business

Recruitment Advertising

The print recruitment advertising business faces tough competition in both Hong Kong and Shanghai. Although the general economic conditions in Hong Kong have improved due to the booming financial market, the recruitment needs in low- to middle-level clerical posts have not demonstrated strong growth in 2007. Recruit magazine has maintained its revenue at same level as 2006. Recruit magazine endeavors to develop value-added customer services with aggressive sales strategies, which will secure revenue for the division in the coming year.

The Group has operated recruitment advertising business in Shanghai for nearly three years, however, the print advertising business has failed to turn around despite its growing revenue. As the print advertising business has suffered sustained losses and faced continual tough competition, the Group decided to terminate its print advertising business in Shanghai in November. However, the Group will continue to develop its recruitment website 1010job.com in China.

Inflight magazine advertising

2007 has seen a rising success of the inflight magazine advertising business. The business achieved a 42% increase in revenue this year. The pre- Beijing Olympics advertising campaign has been gathering strong momentum, especially through prestigious magazine titles. The inflight magazines and publications for which the Group acts as sole advertising agents were among the most desired titles for local and international consumer brands. The fast economic growth in 2007 and the pre-Olympic spending spree have enabled the Group to increase its advertising yield significantly, which directly contributed to a jump in profit.

Printing Business

The printing business in 2007 has brought in HK\$207 million of revenue, which represents a 96% increase over last year. During the year, the Group has successfully consolidated its position as a reliable book printer in the Australia, the United Kingdom and United States markets and further introduced its printing services to more world-leading publishers throughout European countries. The diversification of the geographic distribution of its client base has reduced the risk of reliance on a single or limited number of markets and thus provided a more balanced growth opportunity for the Group. The investment in client development has had a short-term negative impact on the profitability of the Group. However, such investment will bring in long term benefits to the Group.

PROSPECTS

The Group expects to see two major sectors of its businesses, the inflight magazine advertising and printing, continue to grow in 2008 and beyond. With the additional manufacturing capacity acquired, the printing business is expected to take a leap forward in its business expansion with the aim of becoming one of the leading book printers in China. 2008, the year of the Beijing Olympics, has provided a platform for the inflight magazine to achieve record performance and further expand the business in related areas. The termination of the Shanghai print recruitment advertising business will enable the Group to redirect its focus on the revamp and development of its online recruitment service. Owing to the uncertain conditions prevailing in the financial markets, the Group has downsized its investment activities in listed securities in the Hong Kong stock market in the fourth quarter of 2007.

The Group has always enjoyed a very healthy financial position in terms of cashflow generated from its operations. The Group will continue to adopt a prudent approach in utilizing its funds to the further development in its major areas of businesses.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007, the Group had bank and cash balances of HK\$89.2 million as compared to HK\$55.2 million as at 31 December 2006. The Group had finance lease liabilities of HK\$14.1 million (2006: HK\$17.4 million).

The finance lease banking facilities are obtained for financing the acquisition of printing machinery and equipment for our production line in China. The finance lease is at floating interest rates and denominated in Hong Kong dollars.

The Group's gearing ratio as at 31 December 2007 was 6.8% (2006: 9.9%), which is calculated on the basis of the Group's total interest bearing debts over the total equity attributable to equity holders of the company as at the reporting date.

The Group's trading transactions were mainly denominated in HK dollars, US dollars, UK Sterling, Australian dollars and Renminbi. The Group would use forward exchange contracts to hedge its foreign currency exposure in trading activities when considered appropriate. The Group adopts a centralised treasury policies in cash and financial management and would review its liquidity and financing requirements regularly.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2007, the Group had around 116 employees (2006: 200), which was reduced by the number of employees in our print operation in Shanghai following its closure in November. The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employees benefits include provident fund, insurance and medical cover.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of a final dividend of HK\$0.05 (2006: HK\$0.05) per share (the “Final Dividend”) for the year ended 31 December 2007 to holders of ordinary shares whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 21 April 2008. The register of shareholders will be closed from 17 April 2008 to 21 April 2008, both days inclusive, during which period no transfer of shares will be registered. To qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, whose share registration public offices are located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 16 April 2008. The relevant dividend warrants will be dispatched to shareholders on or around 30 April 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2007, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code on corporate governance practices (the “Code”) as set out in Appendix 14 of the Listing Rules for the year subject to the deviations disclosed hereof.

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lau Chuk Kin assumes the role of both the chairman and the chief executive officer of the Company. The Board is of the view that this has not compromised accountability and independent decision making for the following reasons:

- the non-executive directors form the majority of the Board of which three out of seven are independent;
- the Audit Committee composes exclusively of independent non-executive directors; and
- the independent directors have free and direct access to the Company’s external auditors and independent professional advice when considered necessary.

Mr. Lau, the executive chairman, is a substantial shareholder of the Group and has considerable industry experience. He is motivated to contribute to the growth and profitability of the Group. The Board is of the view that it is in the best interests of the Group to have an executive chairman so that the Board can have the benefit of a chairman who is knowledgeable about the business of the Group and is most capable to guide discussions and brief the Board in a timely manner on pertinent issues and developments to facilitate open dialogue between the Board and the management.

AUDIT COMMITTEE

The audit committee has three members comprising the three independent non-executive directors, namely, Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Tyen Kan Hee, Anthony with terms of reference in compliance with the Listing Rules. The audit committee has reviewed the audited financial results of the Group for the year ended 31 December 2007.

On behalf of the Board
Lau Chuk Kin
Chairman

Hong Kong, 29 February 2008

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

This final results announcement is published on the website of Hong Kong Stock Exchange at www.hkex.com.hk and on the Company's website at www.recruitonline.com. The annual report 2007 of the Company will also be published on the aforesaid websites in due course.

** For identification purpose only*