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

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010, together with the comparative figures for the year ended 31 December 2009 as follows:

Consolidated Statement of Comprehensive Income For the year ended 31 December 2010

	Notes	**2010** **HK$'000**	2009 HK$'000
Revenue and turnover	3	**1,152,539**	698,119
Direct operating costs		**(833,320)**	(490,011)
Gross profit		**319,219**	208,108
Other income	5	**34,873**	20,696
Selling and distribution costs		**(110,197)**	(76,712)
Administrative expenses		**(41,584)**	(41,113)
Other expenses		**(18,134)**	(8,019)
Finance costs	6	**(1,866)**	(1,188)
Profit before income tax	7	**182,311**	101,772
Income tax expense	8	**(12,810)**	(8,940)
Profit for the year		**169,501**	92,832
Other comprehensive income, including reclassification adjustments			
Exchange gain/(loss) on translation of financial statements of foreign operations		**428**	(254)
Other comprehensive income for the year, including reclassification adjustments and net of tax		**428**	(254)
Total comprehensive income for the year		**169,929**	92,578

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010 (Continued)

	Notes	**2010** **HK$'000**	2009 HK$'000
Profit for the year attributable to :			
Owners of the Company		**157,528**	80,490
Non-controlling interests		**11,973**	12,342
		169,501	92,832
Total comprehensive income attributable to :			
Owners of the Company		**157,987**	80,320
Non-controlling interests		**11,942**	12,258
		169,929	92,578
Earnings per share for profit attributable to the owners of the Company during the year	10		
Basic		**HK50.80 cents**	HK25.98 cents
Diluted		**HK50.33 cents**	N/A

Consolidated Statement of Financial Position
As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000 (restated)	1 January 2009 HK$'000 (restated)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	11	**206,992**	170,722	137,086
Prepaid land lease payments	12	**5,837**	5,769	-
Interests in associate		**-**	-	-
Goodwill		**-**	14,119	14,119
		212,829	190,610	151,205
Current assets				
Inventories	13	**59,905**	41,477	51,304
Trade and other receivables and deposits	14	**340,347**	224,267	164,258
Financial assets at fair value through profit or loss	15	**3,773**	753	996
Advances to associates		**-**	-	-
Taxes recoverable		**1,028**	2,495	2,984
Cash and cash equivalents		**218,182**	135,178	85,769
		623,235	404,170	305,311
Current liabilities				
Trade and other payables	16	**128,764**	138,834	78,375
Financial liabilities at fair value through profit or loss	17	**5,174**	2,360	-
Bank borrowings	18	**116,646**	54,328	49,500
Finance lease liabilities	19	**7,003**	4,358	4,365
Provision for taxation		**5,925**	1,025	1,174
		263,512	200,905	133,414
Net current assets		**359,723**	203,265	171,897
Total assets less current liabilities		**572,552**	393,875	323,102
Non-current liabilities				
Finance lease liabilities	19	**12,814**	1,104	5,513
Deferred tax liabilities		**10,747**	7,628	2,470
		23,561	8,732	7,983
Net assets		**548,991**	385,143	315,119
EQUITY				
Share capital		**62,113**	61,969	61,969
Reserves		**433,402**	296,233	234,853
Equity attributable to owners of the Company		**495,515**	358,202	296,822
Non-controlling interests		**53,476**	26,941	18,297
Total equity		**548,991**	385,143	315,119

Consolidated Statement of Changes in Equity
For the year ended 31 December 2010

	Attributable to owners of the Company										Non-controlling 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	Statutory reserves HK$'000	Proposed final and special dividends HK$'000	Retained earnings HK$'000	Total HK$'000	HK$'000	HK$'000
Balance at 1 January 2009	**61,969**	**84,288**	**625**	**(601)**	**(43,897)**	**2,371**	**-**	**15,492**	**176,575**	**296,822**	**18,297**	**315,119**
Equity-settled share-based payment expense	-	-	1,200	-	-	-	-	-	-	1,200	-	1,200
Lapsed of share option	-	-	(228)	-	-	-	-	-	228	-	-	-
Final 2008 dividend paid (Note 9)	-	-	-	-	-	-	-	(15,492)	-	(15,492)	-	(15,492)
Interim 2009 dividend paid (Note 9)	-	-	-	-	-	-	-	-	(4,648)	(4,648)	-	(4,648)
Acquisition of non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,614)	(3,614)
Transactions with owners	-	-	972	-	-	-	-	(15,492)	(4,420)	(18,940)	(3,614)	(22,554)
Profit for the year	-	-	-	-	-	-	-	-	80,490	80,490	12,342	92,832
Other comprehensive income												
Currency translation	-	-	-	(170)	-	-	-	-	-	(170)	(84)	(254)
Total comprehensive income for the year	-	-	-	(170)	-	-	-	-	80,490	80,320	12,258	92,578
Proposed final 2009 dividend (Note 9)	-	-	-	-	-	-	-	15,492	(15,492)	-	-	-
Appropriation to statutory reserves	-	-	-	-	-	-	477	-	(477)	-	-	-
Balance at 31 December 2009	**61,969**	**84,288**	**1,597**	**(771)**	**(43,897)**	**2,371**	**477**	**15,492**	**236,676**	**358,202**	**26,941**	**385,143**

Consolidated Statement of Changes in Equity
For the year ended 31 December 2010 (Continued)

	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Employee compensation reserve	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserves	Other reserve	Proposed final and special dividends	Retained earnings	Total		
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 January 2010	**61,969**	**84,288**	**1,597**	**(771)**	**(43,897)**	**2,371**	**477**	**-**	**15,492**	**236,676**	**358,202**	**26,941**	**385,143**
Equity-settled share-based payment expense	-	-	2,490	-	-	-	-	-	-	-	2,490	-	2,490
Exercise of share options	144	666	(140)	-	-	-	-	-	-	-	670	-	670
Share issue expenses	-	(13)	-	-	-	-	-	-	-	-	(13)	-	(13)
Final 2009 dividend paid (Note 9)	-	-	-	-	-	-	-	-	(15,492)	-	(15,492)	-	(15,492)
Interim 2010 dividend paid (Note 9)	-	-	-	-	-	-	-	-	-	(9,308)	(9,308)	-	(9,308)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,246)	(6,246)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	21,818	21,818
Gain on deemed acquisition of non-controlling interests	-	-	-	-	-	-	-	979	-	-	979	(979)	-
Transactions with owners	144	653	2,350	-	-	-	-	979	(15,492)	(9,308)	(20,674)	14,593	(6,081)
Profit for the year	-	-	-	-	-	-	-	-	-	157,528	157,528	11,973	169,501
Other comprehensive income													
Currency translation	-	-	-	459	-	-	-	-	-	-	459	(31)	428
Total comprehensive income for the year	-	-	-	459	-	-	-	-	-	157,528	157,987	11,942	169,929
Proposed final and special 2010 dividends (Note 9)	-	-	-	-	-	-	-	-	31,057	(31,057)	-	-	-
Appropriation to statutory reserves	-	-	-	-	-	-	1,378	-	-	(1,378)	-	-	-
Balance at 31 December 2010	**62,113**	**84,941**	**3,947**	**(312)**	**(43,897)**	**2,371**	**1,855**	**979**	**31,057**	**352,461**	**495,515**	**53,476**	**548,991**

Merger reserve of the Group arose as a result of the Group's reorganisation in 2000 and represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital of Recruit (BVI) Limited. The contributed surplus of the Group arose as a result of the reduction in share capital in accordance with the Group's capital reorganisation in 2003. The other reserve of the Group represented the difference between the fair value of consideration paid to acquire additional interest in 1010 Group Limited and the amount of adjustment to non-controlling interests in 2010.

In accordance with relevant regulations prevailing in the People's Republic of China (the "PRC"), Company's certain subsidiaries, established in the PRC, are required to appropriate no less than 10% of their net profits to the statutory reserves, until the respective balances of the fund reach 50% of the respective registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to offset against their respective accumulated losses, if any.

1. General information

Recruit Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company on 13 March 2000 and redomiciled to Bermuda by way of de-registration in the Cayman Islands and continuation 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 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is 26/F, 625 King's Road, North Point, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

As at 31 December 2010, the Company's ultimate holding company is ER2 Holdings Limited which was incorporated in Hong Kong and the Company's immediate holding company is City Apex Limited, which was incorporated in the British Virgin Islands.

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 Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

2. Adoption of new or amended HKFRSs

During the year, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting year and relevant to the Group. Except as explained below, the adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies.

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised accounting policies, which are effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the financial statements as there has been no business combination transaction during the year.

Prior the adoption of the revised HKAS 27, goodwill was recognised for the change in the ownership interest of a subsidiary (without loss of control) when there was excess of the consideration transferred over the carrying amount of the subsidiary's net assets attributable to the additional interest acquired. The revised HKAS 27 requires that such change is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group increased its ownership interest in one of its subsidiaries in 2010. However this transaction was not material and the adoption of revised HKAS 27 has had no material impact on the Group's financial statements.

2. Adoption of new or amended HKFRSs (Continued)

HKAS 17 (Amendments) - Lease

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of such leases in the PRC as operating leases continues to be appropriate, and the change in accounting policy on land leases has no impact on the financial statements.

Hong Kong Interpretation 5 ("HKInt 5") - *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

In November 2010 the HKICPA issued HKInt 5 which is effective immediately and is a clarification of an existing standard, HKAS 1 *Presentation of Financial Statements*. This interpretation sets out that any term loan, which contains a clause giving the lender the unconditional right to demand repayment at any time, shall be classified as current liability in accordance with paragraph 69(d) of HKAS 1 irrespective of the probability that the lender will invoke the clause without cause.

In order to comply with the requirements of HKInt 5, the Group has changed its accounting policy on the classification of term loans containing a repayment on demand clause. Under the new policy, term loans with clauses giving the lender the unconditional right to call the loan at any time are classified as current liabilities in the consolidated statement of financial position. Previously these loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement at the reporting date or otherwise had reason to believe that the lender would not invoke its rights under the immediate repayment clause within the foreseeable future.

The new policy has been applied retrospectively by re-presenting the opening balances at 1 January 2009, with consequential reclassification adjustments to comparatives for the year ended 31 December 2009. The reclassification has had no effect on the reported profit or loss, total comprehensive income or net assets for any period presented.

Effect of adoption of HKInt 5 on the consolidated statement of financial position

	At 31 December 2010	*At 31 December 2009*	*At 1 January 2009*
	HK$'000	HK$'000	HK$'000
Increase/(decrease) in			
Current liabilities			
Bank borrowings	74,342	35,482	44,328
Non-current liabilities			
Bank borrowings	(74,342)	(35,482)	(44,328)

2. Adoption of new or amended HKFRSs (Continued)

Hong Kong Interpretation 5 ("HKInt 5") - *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Continued)*

As a result of the above retrospective reclassification, an additional consolidated statement of financial position is presented in accordance with HKAS 1 Presentation of Financial Statements.

At the date of this announcement, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the impact of the new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new and amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

HKFRS 9 Financial instruments

(i) Financial assets

This standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. It reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors of the Company are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

(ii) Financial liabilities

Most of the requirements in HKAS 39 for the classification and measurement of financial liabilities, and de-recognition of financial assets and financial liabilities have been carried forward unchanged to HKFRS 9. However changes have been made where an entity chooses to measure its own debts at fair value. HKFRS 9 now requires the amount of the change in fair value due to changes in the entity's own credit risk to be presented in other comprehensive income. The only exception to this new requirement is where the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit or loss, in which case all gains or losses on that liability are to be presented in profit or loss. Under HKAS 39 there is no requirement to identify change in fair value due to change in the entity's own credit risk.

2. Adoption of new or amended HKFRSs (Continued)

HKFRS 9 Financial instruments (Continued)

(ii) Financial liabilities (Continued)

The other key change is the elimination of the exception from fair value measurement of derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument. HKFRS 9 requires them to be measured at fair value. HKAS 39 allows those derivatives the fair value of which cannot be reliably measured to be stated at cost.

(iii) Derecognition of financial assets and financial liabilities

The requirements relating to de-recognition of financial assets and financial liabilities have been brought forward from HKAS 39.

HKFRS 9 published to date is first mandatory for annual accounting periods beginning on or after 1 January 2013. Entities are required to apply the standard retrospectively in accordance with HKAS 8, changes in accounting estimates and errors together with the specific transition provisions in the standard on the Group's results and financial position in the first year of application.

3. Revenue and turnover

	2010	2009
	HK$'000	HK$'000
Advertising income	**617,625**	243,768
Printing income	**534,914**	454,351
	1,152,539	698,119

4. Segment information

The executive directors have identified the Group's three service lines as operating segments.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Advertising		Printing		Investment		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue								
- External sales	**617,625**	243,768	**534,914**	454,351	**-**	-	**1,152,539**	698,119
Reportable segment profit	**122,315**	47,595	**74,001**	68,706	**223**	390	**196,539**	116,691
Amortisation of prepaid land lease payments	**133**	33	**-**	-	**-**	-	**133**	33
Bank interest income	**365**	43	**89**	24	**-**	52	**454**	119
Depreciation	**1,024**	1,080	**24,364**	18,634	**-**	-	**25,388**	19,714
(Loss)/Gain on disposal of property, plant and equipment	**(6)**	-	**155**	56	**-**	-	**149**	56
(Loss)/Gain on financial assets/liabilities at fair value through profit or loss	**-**	-	**(1,220)**	(7,330)	**211**	327	**(1,009)**	(7,003)
Impairment of receivables	**3,469**	1,728	**546**	1,917	**-**	-	**4,015**	3,645
Impairment of goodwill	**14,119**	-	**-**	-	**-**	-	**14,119**	-
Provision for inventories made/(written back)	**-**	-	**3,000**	(99)	**-**	-	**3,000**	(99)
Reportable segment assets	**218,655**	171,133	**483,673**	411,540	**8,074**	843	**710,402**	583,516
Additions to non-current segment assets during the year	**3,798**	9,452	**57,808**	50,705	**-**	-	**61,606**	60,157
Reportable segment liabilities	**65,932**	69,800	**67,695**	71,105	**5**	5	**133,632**	140,910

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows :

	2010	2009
	HK$'000	HK$'000
Reportable segment revenue	**1,152,539**	698,119
Other revenue	**-**	-
Group revenue	**1,152,539**	698,119
Reportable segment profit	**196,539**	116,691
Unallocated corporate income	**101**	823
Equity-settled share-based payment	**(2,490)**	(1,200)
Unallocated corporate expenses	**(9,973)**	(13,354)
Finance costs	**(1,866)**	(1,188)
Profit before income tax	**182,311**	101,772
Reportable segment assets	**710,402**	583,516
Interest in associates	**-**	-
Other corporate assets	**125,662**	11,264
Group assets	**836,064**	594,780
Reportable segment liabilities	**133,632**	140,910
Other corporate liabilities	**24,967**	6,771
Deferred tax liabilities	**11,828**	7,628
Borrowings	**116,646**	54,328
Group liabilities	**287,073**	209,637

4. Segment information (Continued)

The Group's revenues from external customers and its non-current assets are divided into the following geographical areas :

Sales by geographical markets are analysed (based on location of customers) as follows :

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Mainland China	**553,982**	211,326	**205,250**	169,330
United States	**154,582**	154,202	**-**	-
Australia	**131,927**	126,380	**81**	80
United Kingdom	**125,227**	95,248	**71**	98
Hong Kong (domicile)	**82,704**	43,086	**7,348**	21,102
Germany	**39,273**	25,669	**-**	-
New Zealand	**22,781**	11,697	**-**	-
Others	**42,063**	30,511	**79**	-
	1,152,539	698,119	**212,829**	190,610

The geographical location of the non-current assets is based on the physical location of the asset.

5. Other income

	2010	2009
	HK$'000	HK$'000
Gain from sales of scrapped paper and by-products	**17,724**	7,068
Net foreign exchange gain	**11,869**	9,946
Impairment of trade receivables written back	**3,038**	1,556
Excess of the Group's interest in the net fair value of a subsidiary's identifiable assets, liabilities and contingent liabilities over cost of investment	**-**	207
Excess of the Group's interest in the net carrying amount of a non-controlling interests' identifiable assets and liabilities over cost of investment upon acquisition of non-controlling interests of subsidiaries	**-**	564
Gain on disposals of property, plant and equipment	**149**	56
Dividend income from listed equity securities	**25**	-
Interest income on financial assets stated at amortised costs	**454**	119
Sundry income	**1,614**	1,180
	34,873	20,696

6. Finance costs

	2010	2009
	HK$'000	HK$'000
Interest charges on bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	**1,282**	1,005
Finance lease charges	**584**	183
	1,866	1,188

7. Profit before income tax

	2010 HK$'000	2009 HK$'000
Profit before income tax is arrived at after charging/ (crediting) :		
Amortisation of prepaid land lease payments	**133**	33
Auditors' remuneration		
- Audit services	**885**	746
- Other services	**40**	500
Cost of inventories recognised as an expense	**263,280**	227,438
- including provision for inventories made/(written back)	**3,000**	(99)
Depreciation :		
- Owned assets	**22,144**	18,254
- Leased assets	**3,244**	1,460
Employee benefit expense	**57,757**	44,137
Impairment of receivables	**4,015**	3,645
Impairment of goodwill	**14,119**	-
Minimum lease payments paid under operating leases in respect of :		
- Rented premises and production facilities	**12,905**	10,371
- Internet access line	**370**	391
Loss on financial assets/liabilities at fair value through profit or loss	**1,009**	7,003

8. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009 : 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2010 HK$'000	2009 HK$'000
Hong Kong profits tax		
Current year	**2,131**	1,313
Over provision in prior years	**-**	(254)
	2,131	1,059
Overseas profits tax		
Current year	**7,758**	2,811
Over provision in prior years	**(198)**	(88)
	7,560	2,723
Deferred tax		
Current year	**3,119**	5,158
	12,810	8,940

9. Dividends

(a) Dividends attributable to the year :

	2010 HK$'000	2009 HK$'000
Interim dividend of HK$0.03 (2009 : HK$0.015) per share	**9,308**	4,648
Proposed final dividend of HK$0.065 (2009 : HK$0.05) per share	**20,187**	15,492
Proposed special dividend of HK$0.035 (2009 : Nil) per share	**10,870**	-
	40,365	20,140

Final and special dividends proposed after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained earnings for the years ended 31 December 2010 and 2009 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 reporting date and are subject to the approval of the Company's equity holders in the forthcoming annual general meeting.

(b) Dividends approved and paid during the year :

	2010 HK$'000	2009 HK$'000
Interim dividend of HK$0.03 (2009 : HK$0.015) per share	**9,308**	4,648
Final dividend of HK$0.05 (2009 : HK$0.05) per share in respect of the previous financial year	**15,492**	15,492
	24,800	20,140

10. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data :

	2010 HK$'000	2009 HK$'000
Profit attributable to owners of the Company	**157,528**	80,490

	Number of shares 2010 '000	2009 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**310,106**	309,846
Effect of dilutive potential ordinary shares in respect of share options issued by the Company	**2,913**	N/A
Weight average number of ordinary shares for the purpose of diluted earnings per share	**313,019**	N/A

Diluted earnings per share for the year ended 31 December 2009 were not presented because the impact of the exercise of the share options was anti-dilutive.

11. Property, plant and equipment

	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 2009								
Cost	-	3,089	2,835	29,415	29,304	1,211	131,517	197,371
Accumulated depreciation	-	(1,615)	(1,492)	(10,329)	(26,342)	(786)	(19,721)	(60,285)
Net book amount	-	1,474	1,343	19,086	2,962	425	111,796	137,086
Year ended 31 December 2009								
Opening net book amount	-	1,474	1,343	19,086	2,962	425	111,796	137,086
Exchange differences	26	15	-	4	9	14	-	68
Additions	2,899	242	769	6,967	4,473	601	38,455	54,406
Acquisition of subsidiary	-	27	-	79	25	-	-	131
Disposals	-	(16)	(6)	(8)	(2)	(237)	(986)	(1,255)
Depreciation	(16)	(505)	(469)	(3,389)	(2,160)	(134)	(13,041)	(19,714)
Closing net book amount	2,909	1,237	1,637	22,739	5,307	669	136,224	170,722
At 31 December 2009								
Cost	2,926	3,359	3,593	36,463	32,347	1,090	168,703	248,481
Accumulated depreciation	(17)	(2,122)	(1,956)	(13,724)	(27,040)	(421)	(32,479)	(77,759)
Net book amount	2,909	1,237	1,637	22,739	5,307	669	136,224	170,722
Year ended 31 December 2010								
Opening net book amount	2,909	1,237	1,637	22,739	5,307	669	136,224	170,722
Exchange differences	101	4	-	9	5	(3)	-	116
Additions	-	1,369	702	5,628	4,056	669	49,182	61,606
Disposals	-	(1)	(5)	(20)	-	(3)	(35)	(64)
Depreciation	(67)	(654)	(601)	(4,434)	(2,596)	(221)	(16,815)	(25,388)
Closing net book amount	2,943	1,955	1,733	23,922	6,772	1,111	168,556	206,992
At 31 December 2010								
Cost	3,029	4,723	4,289	42,005	35,436	1,646	217,831	308,959
Accumulated depreciation	(86)	(2,768)	(2,556)	(18,083)	(28,664)	(535)	(49,275)	(101,967)
Net book amount	2,943	1,955	1,733	23,922	6,772	1,111	168,556	206,992

Net book amount of property, plant and equipment includes the net carrying amount of HK$37,615,000 (2009 : HK$15,654,000) held under finance leases.

As at 31 December 2010, the Group's buildings were situated in the PRC, which located on the medium-term leasehold land.

12. Prepaid land lease payments

	2010 HK$'000	2009 HK$'000
At 1 January		
Cost	**5,802**	-
Accumulated amortisation	**(33)**	-
Net book amount	**5,769**	-
Opening net book amount	**5,769**	-
Exchange differences	**201**	51
Addition	**-**	5,751
Amortisation	**(133)**	(33)
Closing net book amount	**5,837**	5,769
At 31 December		
Cost	**6,007**	5,802
Accumulated amortisation	**(170)**	(33)
Net book amount	**5,837**	5,769

As at 31 December 2010, the Group's prepaid land lease payments represented up-front payments to acquire an interest in the usage of land situated in the PRC, which was held under a medium-term lease.

13. Inventories

	2010 HK$'000	2009 HK$'000
Raw materials	**44,259**	30,373
Work-in-progress	**19,422**	11,514
Finished goods	**206**	572
	63,887	42,459
Less : Provision for net realisable value	**(3,982)**	(982)
	59,905	41,477

14. Trade and other receivables and deposits

Ageing analysis of trade receivables, as at 31 December 2010, based on sales invoice date and net of provisions, is as follows :

	2010 HK$'000	2009 HK$'000
0 - 30 days	**71,059**	60,947
31 - 60 days	**40,000**	37,087
61 - 90 days	**24,612**	26,564
91 - 120 days	**29,388**	27,357
121 - 150 days	**32,775**	30,256
Over 150 days	**25,009**	11,913
Total trade receivables	**222,843**	194,124
Other receivables and deposits	**117,504**	30,143
	340,347	224,267

The Group allows a credit period from 7 to 180 days (2009 : 7 to 180 days) to its customers.

As at 31 December 2009, trade receivables of AUD1,467,000 were pledged to a bank to secure the bank borrowings. No trade receivable was pledged to a bank as at 31 December 2010.

Other receivables and deposits included deposits paid to airlines of HK$87,515,000 (2009:HK$17,476,000) in accordance with the relevant agreements in the inflight business.

15. Financial assets at fair value through profit or loss

	2010 HK$'000	2009 HK$'000
Held for trading		
Equity securities, listed in Hong Kong	**3,773**	753
Fair value	**3,773**	753

16. Trade and other payables

As at 31 December 2010, ageing analysis of trade payables based on invoice date is as follows :

	2010	2009
	HK$'000	HK$'000
0 – 30 days	**31,951**	30,629
31 – 60 days	**19,353**	25,035
61 – 90 days	**9,697**	14,018
91 – 120 days	**5,389**	9,894
Over 120 days	**13,488**	10,694
Total trade payables	**79,878**	90,270
Other payables	**48,886**	48,564
	128,764	138,834

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 that will be settled on a half yearly (2009 : half yearly) basis according to the terms of an agreement signed with this business partner.

17. Financial liabilities at fair value through profit or loss

This relates to the forward foreign exchange contracts which are intended to be held for trading in nature.

18. Bank borrowings

	2010	2009	1 January 2009
	HK$'000	HK$'000	HK$'000
		(restated)	(restated)
Current portion	**116,646**	54,328	49,500
Total bank borrowings	**116,646**	54,328	49,500

The interest-bearing bank borrowings, representing the term loans repayable on demand, are carried at amortised cost. None of the portion of term loans due from repayment after one year which contain a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

Assuming that the banks do not request the clause for repayment on demand and based on the repayment dates as scheduled in the loan agreements, the Group's bank borrowings are due for repayment, as at each of the reporting dates, as follows :

	2010	2009
	HK$'000	HK$'000
Within one year	**42,304**	18,846
In the second year	**32,304**	13,790
In the third to fifth year	**42,038**	21,692
Wholly repayable within 5 years	**116,646**	54,328

19. Finance lease liabilities

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

	2010 HK$'000	2009 HK$'000
Total minimum lease payments :		
Due within one year	**7,434**	4,434
Due in the second to fifth years	**13,190**	1,103
	20,624	5,537
Future finance charges on finance leases	**(807)**	(75)
Present value of finance lease liabilities	**19,817**	5,462

	2010 HK$'000	2009 HK$'000
Present value of minimum lease payments :		
Due within one year	**7,003**	4,358
Due in the second to fifth years	**12,814**	1,104
	19,817	5,462
Less : Portion due within one year included under current liabilities	**(7,003)**	(4,358)
Non-current portion included under non-current liabilities	**12,814**	1,104

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

Finance lease liabilities are effectively secured by the underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

CHAIRMAN'S STATEMENT

Dear shareholders,

The Group had another outstanding year in 2010 when for the first time in its history sales turnover exceeded HK$1 billion and net income broke the HK$150 million mark. The buoyant economy in China with its strong demand for luxury consumer goods was the main driver of our growth.

<u>Advertising Business</u>
Inflight Magazine
Our wholly owned subsidiary, Cinmedia which holds the exclusive rights to sell advertising space on inflight magazines onboard major carriers in the Greater China region had a blow-out year and firmly established itself as the global leader in the industry.

Our contract with China Southern Airlines which was due to expire at the end of 2010 was renewed for another five years.

Recruit Magazine
This division returned to profitability in 2010. The overall size of recruitment advertising market in Hong Kong, however, continued to shrink as the migration to the much lower priced internet advertising model continues its momentum.

<u>Printing Business</u>
The trading environment remained tough with ever decreasing margins as a) our publishing customers continued to face challenges posed by the e-books and the consolidation of conventional brick and mortar bookstores and b) the massive increase in labour costs in China and particularly in the Pearl River Delta. Against this back drop, 1010 Printing, a 82% owned subsidiary of the Group, performed well and is now the top 7 exporter of books to the US market.

With the improving balance sheet and our long established relationship with business partners, I am confident of the future prospects of the Recruit Group in going forward.

Lau Chuk Kin
Chairman
Hong Kong, 23 February 2011

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Turnover for the year ended 31 December 2010 increased by 65.1% to approximately HK$1,152.5 million from HK$698.1 million of last year. The significant growth in turnover was mainly due to the increase of 1.5 times in advertising business. The advertising business contributed 53.6% (2009: 34.9%) to the Group's turnover. The turnover for printing business increased by 17.7%.

Other income increased by 68.5% to HK$34.9 million in 2010 from HK$20.7 million in 2009 which is primarily attributable to the increase in sales of scrap material and foreign exchange gain. Impairment of goodwill of HK$14.1 million was provided in 2010. This was the main reason for the increase in other expenses from $8.0 million in 2009 to HK$18.1 million in 2010.

Although management forecasted for an increase in the recruitment advertising market in 2011, the fierce competition and threat from the internet advertising model could not be neglected. Full impairment of the goodwill arose from the acquisition of 24.5% equity interest in the recruitment magazine business in 2008 was determined after management evaluated its fair value.

The Group's total comprehensive income attributable to owners was approximately HK$158.0 million, representing a 96.7% increase as compared with HK$80.3 million reported in 2009.

BUSINESS REVIEW

<u>Advertising Business</u>
Inflight Magazine
Cinmedia, the global leader in the industry, achieved record sales turnover and profits in 2010. On going contracts with Air China, China Eastern Airlines, China Southern Airlines and China Airlines will enable Cinmedia to further consolidate its leadership position as demand for advertising space on media which cater to the interests of the affluent middle class in China continues.

In November 2010, Cinmedia renewed its contract with China Southern Airlines for another five years. In the past two years, we have achieved a 100% success rate in renewing our contracts with our airline principals. Detailed analysis were conducted on our risks and returns to ensure that the business model remains sound and commercially viable. In renewing the contracts, we had to improve our profit sharing arrangements to the airlines. As a result of this, the profit contribution from Cinmedia to the Group may decline slightly in the near future. However, it will continue to be a solid business with steady cashflow. We are actively seeking business prospects in the media industry in Hong Kong and China for acquisition to reduce our dependence on the inflight magazine sector. Management is optimistic that we have the proven sales network and contacts in the media industry in China for us to succeed.

Recruit
After suffering its first trading loss since 2003, this division regained profitability in 2010. We also successfully won the contract to distribute our magazines on the Mass Transit Railway lines. The contract commenced in January 2011 and results to-date have exceeded our expectation. The staff recruitment market in 2011 is forecast to be very active due to pent-up demand for staff triggered by the confidence of the employers that the recovery of the local economy has gained traction. Meantime, employees who were hesitant in changing jobs in the past two years are gaining confidence that the advent of an employees-market has firmly arrived. Recruit's forecast is for a more than 30% increase in the recruitment advertising market in Hong Kong in 2011.

Printing Business
1010 printing continued its strong momentum and has established itself as a major high quality book printer. It was ranked number 7 in the shipment of books to the US market among all worldwide suppliers in 2010.

Much has been said about the cut throat nature of the printing industry : the ever shrinking prices demanded by our publishing customers and the massive increase in labour costs ushered in by the increase in minimum wage in China. Though 1010 Printing had frozen its total headcount in 2010, it had to cope with a 40% increase in labour costs. The latter is forecast to increase by another 25% in 2011.

Despite all this, we are cautiously optimistic of our future prospects. We are witnessing a consolidation of our publishing customers worldwide and the introduction of preferred suppliers by major publishers. Those who are conferred the status of preferred supplier will gain share in a gradually declining market at the expense of small printers. 1010 is either the top 1 or 2 supplier for the key customers that we serve.

We also foresee a wave of consolidation among medium sized book printers in China/Hong Kong as the trading environment deteriorates. So far, the low interest rate has given the much needed breathing space to the industry but as interest rate level returns to normal, the industry shake out will begin with marginal players being bought out or forced out of business. With our strong balance sheet and portfolio of credit worthy customers, 1010 printing will be able to take advantage of this and expand through acquisition.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group had net current assets of approximately HK$359.7 million (2009: HK$203.3 million). The Group's current ratio as at 31 December 2010, which is defined as current assets over current liabilities, was 2.4 (2009: 2.0). The financial position of the Group was healthy with total cash and bank deposits approximately HK$218.2 million (2009: HK$135.2 million).
The Group's gearing ratio as at 31 December 2010 was 24.9 % (2009: 15.5%), which is calculated on the basis of the Group's total interest-bearing debts over the total equity interest. Total bank borrowings and finance lease liabilities were approximately HK$136.5 million (2009: HK$59.8 million). The bank borrowings and finance leases are denominated in Hong Kong dollars, at floating rates and repayable within five years. The net book amount of property, plant and equipment includes net carrying amount of HK$37.6 million (2009: HK$15.7 million) in respect of assets held under finance leases.

The Group adopts centralized financing and treasury policies in order to ensure the group funding is utilized efficiently. Conservative approach is adopted on monitoring foreign exchange exposure and interest rate risk. Forward contracts are used to hedge the foreign currency exposure in trading and capital expenditure when it is considered appropriate.

PROSPECTS

The Group which heads towards 2011 with confidence and optimism, is fully aware of the rapidly changing business environment. The recent changes in governments in Tunisia and Egypt are ushering in an era of uncertainty in the Middle East and global oil prices. The widely popular Kindle e-book readers and I-Pads are shaking up the conventional book publishing industry. The December, 2010 acquisition of JobsDB, Hong Kong leading website for jobs by Seek of Australia for a consideration that is reminiscent of the internet hey days, gives one renewed optimism of the prospects of the recruitment advertising industry.

Management is taking note of these uncertainties and making steps to ensure that Recruit will continue to thrive in the future.

Back in August 2002, the company faced severe cash flow problems with its only business under attack by more nimble and technology savvy operators. Eight years on, we are turning in record profits, and in possession of a balance sheet that enables us to aggressively look out for new business prospects. The ability to adjust quickly to changes was and will be the critical factor to Recruit's success. We have noticed that our shares have been thinly traded in the past and at level that is not commensurate with our performance record. To this end, Management is working with investment advisors to enhance the value of our shares and expect to be able to announce the details of our plan in the very near future. We are actively seeking acquisition targets that can bring incremental value to the Group.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2010, the Group had around 135 employees (2009: 132). 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$0.065 (2009: HK$0.05) per share (the "Final Dividend") and a special dividend of HK$0.035 (2009: HK$Nil) per share (the "Special Dividend") for the year ended 31 December 2010 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 1 April 2011. The register of shareholders will be closed from 30 March 2011 to 1 April 2011, both days inclusive, during which period no transfer of shares will be registered. To qualify for the Final Dividend and Special 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 29 March 2011. The relevant dividend warrants will be dispatched to shareholders on or around 15 April 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2010, 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 six 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 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. Ho David 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 2010.

On behalf of the Board
Lau Chuk Kin
Chairman

Hong Kong, 23 February 2011

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

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 2010 of the Company will also be published on the aforesaid websites in due course.

** For identification purpose only*