



PANDA-RECRUIT LIMITED

(Incorporated in the Cayman Islands with limited liability)

3rd Quarterly Report

2001

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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

This report, for which the directors (the “Directors”) of Panda-Recruit Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief:– (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- The unaudited turnover of the Group in the first nine months of 2001 was HK\$91,199,000, representing a decrease of 8.8% over the same period last year. The decrease in the nine-month turnover was the result of a bad performing 3rd quarter which saw Hong Kong's recruitment market taking a double hit from a weakening local economy and the events of "September 11" in the United States. Looking ahead, the Group expects the recruitment market to further weaken in the 4th quarter as the full effects of "September 11" and the subsequent US war on terrorism on the world economy sink in.
- The Group recorded an unaudited net loss attributable to shareholders of HK\$39,220,000 in the first nine months of 2001. The net loss was primarily attributed to pre-operating expenditure incurred by commencement of the Group's operations in the People's Republic of China (the "PRC").
- The Directors do not recommend payment of an interim dividend for the nine months ended 30th September 2001.
- During the 3rd quarter of 2001, the Group continued to strengthen its Internet-backed-by-print business in Hong Kong by enhancing its services for jobseekers and advertisers. The number of jobseeker members in its database increased by 8.1% to 201,699, while the number of advertisers increased by 3.0% to 52,801.
- As at 30th September 2001, the Group's Guangzhou operations had accumulated an advertiser database of 8,260. The PRC website, pp11.com, had 125,988 jobseeker members.
- The Group is taking extensive measures to reduce expenses in view of the current downturn in the economy.

In Hong Kong, during the 3rd quarter of 2001, the Group experienced growth in jobseeker membership and the number of advertisers in spite of the obvious downward trend of Hong Kong's recruitment advertising market.

In the PRC, during the 3rd quarter of 2001, the Group continued to strengthen its competitiveness in the Guangzhou market.

FINANCIAL AND OPERATIONAL SUMMARY

	Nine months ended 30th September			
	2001	2000	Increase/(Decrease)	
Turnover (HK\$'000)	91,199	99,953	(8,754)	(8.8%)
Loss attributable to shareholders (HK\$'000)	(39,220)	(13,335)	(25,885)	(194.1%)
Basic loss per share (HK cents)	(3.49)	(1.87)	(1.62)	(86.6%)
No. of printed pages				
– Recruit (Hong Kong)	11,624	12,488	(864)	(6.9%)
	(of which 10,003 with advertisement)	(of which 10,680 with advertisement)		
– PandaCareer 熊貓賢才 (Guangzhou)	1,036	N/A	N/A	N/A
Average weekly pageviews				
– PandaPlanet.com (million)	1.48	0.66	0.82	124.2%
	As at 30th September 2001	As at 30th September 2000	Increase	
No. of advertisers in database				
– Hong Kong – recruitment advertisers	48,449	44,408	4,041	9.1%
– non-recruitment advertisers	4,352	3,539	813	23.0%
– Guangzhou	8,260	N/A	N/A	N/A
No. of jobseeker members in database				
– Hong Kong	201,699	119,844	81,855	68.3%
– Guangzhou	125,988	N/A	N/A	N/A

FINANCIAL REVIEW

The unaudited turnover of the Group in the first nine months of 2001 amounted to HK\$91,199,000, representing a decrease of 8.8% when compared with the unaudited turnover of HK\$99,953,000 in the corresponding period of 2000. The decrease in the nine-month turnover was the result of a bad performing 3rd quarter which saw Hong Kong's recruitment market taking a double hit from a weakening local economy and the events of "September 11" in the United States. The unaudited net loss of the Group for the first nine months of 2001 was HK\$39,220,000. The unaudited net loss of the Group for the same period of 2000 was HK\$13,335,000. The Group experienced a loss in the first nine months of 2001 as it began operations in the PRC and incurred considerable pre-operating expenditure.

The Directors do not recommend payment of an interim dividend as the Company sustained a loss during the period under review and needs to retain funds for future expansion.

BUSINESS REVIEW

A summary of activities of the Group's business conducted in the 3rd quarter of 2001 is given below.

Hong Kong Operations

Recruit and PandaPlanet.com constituted the Group's Internet-backed-by-print recruitment-advertising solution offered in Hong Kong. Recruit is a bilingual recruitment-advertising publication targeting white-collar jobseekers. It is distributed free in Mass Transit Railway stations in Hong Kong every Friday and Monday. Meanwhile, PandaPlanet.com provides full and exclusive support to Recruit in the area of online-recruitment services in Hong Kong.

Performance in a Declining Market

The Hong Kong operations served as the backbone of the Group by providing multi-media recruitment and career services to both jobseekers and advertisers. During the period under review, Hong Kong's economy experienced a downturn, coupled with the consequences of the "September 11" events in the United States, which directly affected the recruitment advertising market. According to the Group's estimation, the overall recruitment advertising market in Hong Kong for the 3rd quarter 2001 declined 51.24% when compared to the same period in 2000. The Group also witnessed a decline in recruitment advertising revenue of 45.5% over the same period last year. The unaudited turnover of the Hong Kong operations showed a decrease of 36.2% over the same period last year. In terms of non-recruitment advertising revenue, the Hong Kong operations – despite the negative economic climate – still experienced a significant growth although it is showing some signs of slowing down. Revenue from this area in the 3rd quarter grew by 25.7% over the same period last year.

During the period under review, the Group continued to expand its online visibility and network, and grew its jobseeker and advertiser databases through online partnership. As at 30th September 2001, the total number of members registered with both Recruit and PandaPlanet.com stood at 201,699, representing an increase of 68.3% over 30th September 2000, and an increase of 8.1% over 30th June 2001. A total of 75,399 registered members submitted resumes for job-seeking purposes, representing a 48.8% increase over the previous 9 months.

Dedication to Excellence

The Group strove to improve services for recruitment advertisers. Demand for the Group's candidate/job-matching service increased from 36% as at 31st December 2000 to 53% as at 30th September 2001, reflecting its high popularity. At the same time, the Group's new service enabling recruitment advertisers to present company information to jobseekers through its Internet medium drew responses from 70 recruitment advertisers, the total number registered for the service as at 30th September 2001. During the same period, the Group's advertiser database continued to grow, registering a total of 52,801 recruitment and display advertisers at the end of September 2001.

In terms of product development, PandaPlanet.com underwent major site revamping during the period. The improved design, navigation and content resulted in a significant increase in pageviews. The average number of pageviews in the 3rd quarter totalled 1.56 million per week, representing an increase of 36.8% over the corresponding period of 2000.

Guangzhou Operations

“PandaCareer熊貓賢才” is distributed free of charge every Friday and Monday with “GD-HK Information Daily (粵港信息日報)” throughout Guangzhou. Meanwhile, “pp11.com” provides the Group with an Internet presence throughout the PRC. According to the Group's own estimation and monitoring of the market, “PandaCareer熊貓賢才” had achieved a 4% market share in terms of revenue in the Guangzhou market. In view of the events of “September 11” and severe competition, the Group will continue to monitor the performance of the Guangzhou operations and will take necessary steps to strengthen its competitiveness.

The Group with its strategic partners continued to attract registration of potential jobseekers and recruitment advertisers in the PRC. As at 30th September 2001, the PRC website had registered a total of 125,988 members of which 65,178 had submitted resumes for job-seeking purposes. Meanwhile, a total of 8,260 recruitment advertisers had also registered for recruitment purposes.

THREE QUARTERS RESULTS (UNAUDITED)

The Board of Directors (the “Board”) of the Company announces the unaudited results of the Group for the three months and nine months ended 30th September 2001, together with the comparative unaudited figures for the corresponding periods in 2000 as follows:

	Notes	Three months ended 30th September		Nine months ended 30th September	
		2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Turnover	2	26,113	40,389	91,199	99,953
Other revenue		699	903	2,529	2,763
Raw materials and consumables used		(4,411)	(5,027)	(16,001)	(15,530)
Printing cost		(4,064)	(7,293)	(16,491)	(20,016)
Content and website development costs		(1,108)	(1,330)	(3,788)	(2,982)
Depreciation		(2,994)	(2,058)	(7,992)	(3,870)
Staff costs		(12,411)	(15,111)	(38,545)	(30,050)
Advertising and promotion expenses		(2,525)	(3,235)	(16,653)	(10,643)
Other operating expenses	3	(8,937)	(10,896)	(31,376)	(25,314)
Loss from operations		(9,638)	(3,658)	(37,118)	(5,689)
Finance costs		–	(172)	(1)	(184)
Share of results of associates		(826)	(72)	(2,101)	(6,368)
Loss before taxation		(10,464)	(3,902)	(39,220)	(12,241)
Taxation	4	–	(255)	–	(1,094)
Loss attributable to shareholders		<u>(10,464)</u>	<u>(4,157)</u>	<u>(39,220)</u>	<u>(13,335)</u>
Loss per share					
– Basic (HK cents)	5	<u>(0.93)</u>	<u>(0.39)</u>	<u>(3.49)</u>	<u>(1.87)</u>

Notes

1. Basis of presentation

Pursuant to a group reorganisation (the “Reorganisation”) in preparation for the listing of the Company’s shares on GEM, the Company became the ultimate holding company of the Group on 25th May 2000. Details of the Reorganisation are set out in the Prospectus of the Company dated 11th July 2000. The results of the Group comprise the results of all companies now comprising the Group using the merger basis of accounting as if the current group structure had been in existence since 1st January 2000, and, where applicable, from their respective dates of acquisition and disposal by the Group, whichever is later.

The principal accounting policies adopted in preparing the unaudited consolidated results are consistent with those followed in the Group’s annual financial statements for the year ended 31st December 2000.

2. Turnover

Turnover represents recruitment and non-recruitment advertising income, publication sales, publishing income and service income.

3. Other operating expenses

	Three months ended		Nine months ended	
	30th September		30th September	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Computer expenses	(1,057)	(824)	(3,195)	(1,346)
Rental expenses	(1,367)	(1,237)	(4,230)	(3,406)
Selling and distribution expenses	(2,517)	(6,075)	(9,048)	(10,305)
Administrative and other expenses	(3,996)	(2,760)	(14,903)	(10,257)
	<u>(8,937)</u>	<u>(10,896)</u>	<u>(31,376)</u>	<u>(25,314)</u>

4. Taxation

	Three months ended		Nine months ended	
	30th September		30th September	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The charge comprises:-				
Provision for Hong Kong profits tax attributable to the Company and its subsidiaries	-	(255)	-	(604)
Share of taxation attributable to associate	-	-	-	(490)
	<u>-</u>	<u>(255)</u>	<u>-</u>	<u>(1,094)</u>

No provision for Hong Kong profits tax and PRC income tax has been made in the unaudited financial statement as all the Group's Hong Kong and PRC subsidiaries incurred tax losses.

5. Loss per share

The calculation of the basic loss per share for the three months and the nine months ended 30th September 2001 is based on the respective unaudited consolidated loss attributable to shareholders of HK\$10,464,000 and HK\$39,220,000 (2000: HK\$4,157,000 and HK\$13,335,000) and on the weighted average number of 1,125,000,000 and 1,125,000,000 (2000: 1,075,051,174 and 711,297,601) shares in issue on the assumption that the Reorganisation had been effective on 1st January 2000.

As there were no potential ordinary shares outstanding during the three months and the nine months ended 30th September 2001 and the corresponding periods in 2000, no diluted loss per share is presented.

6. Interim dividend

The Directors do not recommend payment of an interim dividend for the period (2000: Nil).

7. Movement in reserves

	Three months ended		Nine months ended	
	30th September		30th September	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Exchange Reserve				
Balance brought forward	12	–	3	–
Translation of overseas operations	–	–	9	–
Balance carried forward	<u>12</u>	<u>–</u>	<u>12</u>	<u>–</u>
Merger Reserve				
Balance brought forward	(43,897)	(43,897)	(43,897)	–
Addition	–	–	–	(43,897)
Balance carried forward	<u>(43,897)</u>	<u>(43,897)</u>	<u>(43,897)</u>	<u>(43,897)</u>
Capital Reserve				
Balance brought forward	13,440	13,440	13,440	2,361
Addition	–	–	–	11,079
Balance carried forward	<u>13,440</u>	<u>13,440</u>	<u>13,440</u>	<u>13,440</u>
Share Premium				
Balance brought forward	40,774	–	40,774	–
Addition	–	40,729	–	40,729
Balance carried forward	<u>40,774</u>	<u>40,729</u>	<u>40,774</u>	<u>40,729</u>

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SECURITIES

As at 30th September 2001, the interests of the Directors and Chief Executive of the Company in the shares of the Company as recorded in the register required to be maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Name of Director	Personal Interest	Family Interest	Corporate Interest	Other Interest	Total
Chow Yung	153,650,000	Nil	Nil	Nil	153,650,000
Ifan Chan	17,809,000	Nil	Nil	Nil	17,809,000
Lo Ka Shui	1,500,000	Nil	331,140,000 [#]	Nil	332,640,000
Barrie Calvert Goodridge	650,000	Nil	Nil	Nil	650,000
Peter Stavros Patapios Christofis	650,000	Nil	Nil	Nil	650,000

[#] The shares were beneficially owned by Century Faith Investment Limited ("Century Faith"). Great Eagle Holdings Limited is the ultimate holding company of Century Faith holding approximately 66.67 per cent of the issued share capital of Century Faith. As at 30th September 2001, Dr. Lo Ka Shui was interested and/or deemed to be interested in approximately 53.5 per cent of the issued share capital of Great Eagle Holdings Limited. On 21st September 2001,

Century Faith commenced members' voluntary winding up and the liquidator of Century Faith arranged and completed on 11th October 2001 an interim distribution to its shareholders of 331,140,000 shares of the Company in proportion to their respective shareholdings in Century Faith. After the interim distribution, a total of 220,760,000, 73,586,667 and 36,793,333 shares of the Company are held by the three shareholders of Century Faith, namely The Great Eagle Company, Limited, Salespost Limited and Chan Family Investment Corporation Limited respectively. The Great Eagle Company, Limited is a wholly owned subsidiary of Great Eagle Holdings Limited. Salespost Limited is ultimately held by a discretionary trust of which Mr. Lo Hong Sui, Vincent, a non-executive Director, and his family members are beneficiaries.

Save as disclosed above, none of the Directors or Chief Executive of the Company has any interest in the equity or debt securities of the Company or its associated corporations (as defined in the SDI Ordinance) as recorded in the register required to be maintained under Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.40 of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHT TO ACQUIRE SHARES

The Company has adopted a share option scheme approved by a resolution passed by the shareholders of the Company on 3rd July 2000, under which it may grant options to full-time employees, including executive directors of the Company or of its subsidiaries, to subscribe for shares in the Company.

As at 30th September 2001, the Company had not granted any option under the Company's share option scheme.

As at 30th September 2001, the Company had not granted any right to subscribe for equity or debt securities of the Company to any Director or Chief Executive of the Company or to his or her spouse or children under 18 years of age.

SUBSTANTIAL SHAREHOLDERS

As at 30th September 2001, in addition to those interests as disclosed above in respect of the Directors, according to the register of substantial shareholders required to be maintained under Section 16 (1) of the SDI Ordinance, the Company had been notified of the following interests, being 10% or more in the issued share capital of the Company.

Name	Number of Shares
Mr. Chow Yung and Ms Ifan Chan <i>(Note 1)</i>	171,459,000
Shui Sing Holdings Limited <i>(Note 2)</i>	331,140,000
Shui Sing (BVI) Limited <i>(Note 2)</i>	331,140,000
Great Eagle Holdings Limited <i>(Note 2)</i>	331,140,000
Jolly Trend Limited <i>(Note 2)</i>	331,140,000
The Great Eagle Company, Limited <i>(Note 2)</i>	331,140,000
Century Faith Investment Limited ("Century Faith") <i>(Note 2)</i>	331,140,000
Publigroupe Limited <i>(Note 3)</i>	264,912,000
Publi Promotion Network Asia Holdings Limited <i>(Note 3)</i>	264,912,000
Jean Claude Decaux <i>(Note 4)</i>	117,745,000
Danielle Decaux <i>(Note 4)</i>	117,745,000
Jean Charles Decaux <i>(Note 4)</i>	117,745,000
Jean Sebastien Decaux <i>(Note 4)</i>	117,745,000
Jean Francois Decaux <i>(Note 4)</i>	117,745,000
Robert Caudron <i>(Note 4)</i>	117,745,000
JC Decaux International <i>(Note 4)</i>	117,745,000
Decaux S. A. <i>(Note 4)</i>	117,745,000
JC Decaux Communication (T) <i>(Note 4)</i>	117,745,000
JC Decaux Asia (S) Pte Ltd. <i>(Note 4)</i>	117,745,000
Avenir <i>(Note 4)</i>	117,745,000
United Communication Limited <i>(Note 4)</i>	117,745,000
JC Decaux Pearl & Dean Limited <i>(Note 4)</i>	117,745,000

Notes:

1. A total of 153,650,000 shares of the Company are held by Mr. Chow Yung, representing approximately 13.66 per cent of the share capital of the Company, and the remaining 17,809,000 shares of the Company, representing approximately 1.58 per cent of the share capital of the Company, are held by Ms Ifan Chan, the wife of Mr. Chow Yung and an Executive Director.
2. All the above 331,140,000 shares of the Company are the same parcel of shares referred to in "corporate interest" of Dr. Lo Ka Shui under "Directors' and Chief Executive's Interest in Securities". On 21st September 2001, Century Faith commenced members' voluntary winding up and the liquidator of Century Faith arranged and completed on 11th October 2001 an interim distribution to its shareholders of 331,140,000 shares of the Company in proportion to their respective shareholdings in Century Faith. After the interim distribution, a total of 220,760,000 shares of the Company are held by The Great Eagle Company, Limited, one of the shareholders of Century Faith and a wholly owned subsidiary of Great Eagle Holdings Limited.
3. Publigroupe Limited is the holding company of Publi Promotion Network Asia Holdings Limited. By virtue of the SDI Ordinance, Publigroupe Limited is deemed to be interested in the 264,912,000 shares of the Company held by Publi Promotion Network Asia Holdings Limited.
4. Each of Jean Claude Decaux, Danielle Decaux, Jean Charles Decaux, Jean Sebastien Decaux, Jean Francois Decaux, Robert Caudron, JC Decaux International, Decaux S. A., JC Decaux Communication (T), JC Decaux Asia (S) Pte Ltd., Avenir and United Communication Limited are deemed to be interested in the 117,745,000 shares of the Company owned by JC Decaux Pearl & Dean Limited pursuant to Section 8 of the SDI Ordinance.

SPONSORS' INTEREST

ING Bank N.V. ("ING Bank"), and its subsidiaries and affiliated companies (together with ING Bank, the "ING Group") have recently undergone a rationalisation of businesses and have consolidated the number of legal entities through which ING Barings, a division of ING Bank, conducts its businesses within the ING Group. The purpose of the rationalisation and consolidation was to build a single wholesale organisation offering a comprehensive range of services to ING Group's international clients. All the staff and corporate finance activities of ING Bank's wholly owned subsidiary, ING Barings Asia Limited ("IBAL") were transferred to ING Bank with effect from 1st July 2001 and, accordingly, IBAL applied to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for permission to transfer its GEM Sponsorship to ING Bank.

On 27th September 2001, ING Bank obtained the approval from the Stock Exchange for the transfer of the registration as a Sponsor (as defined in Rule 6.66 of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM Listing Rules")) from IBAL to ING Bank. ING Bank, a banking corporation duly organised and existing under the Law of The Netherlands, is an exempt dealer under the Securities Ordinance and an Authorised Institution under the Banking Ordinance in Hong Kong Special Administrative Region.

Panda-Recruit Limited (the "Company") entered into a sponsor agreement (the "Sponsor Agreement") with IBAL pursuant to GEM Listing Rules 6.01 and 17.81 on 10th July 2000, whereby the Company appointed IBAL as the continuing sponsor to the Company for the period ending 31st December 2002. The Sponsor Agreement has accordingly been terminated and a new sponsor agreement was signed between the Company and ING Bank on 12th November 2001. ING Bank is pleased to announce that it will continue to serve as the replacement Sponsor of the Company until 31st December 2002.

To the best knowledge of ING Bank, the Company's sponsor, ING Bank, its directors, employees or associates did not hold any shares of the Company as at 30th September 2001.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the period from 1st January 2001 to 30th September 2001, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

The following Initial Management Shareholders had interests in the following businesses:

Great Eagle Holdings Limited, being one of the Initial Management Shareholders, operates and has interest in various websites providing information on property, home decoration and music that are not related to recruitment advertising. Great Eagle Holdings Limited also has interest in a company that develops and markets an integrated suite of computer software for e-commerce solutions.

JC Decaux Pearl & Dean Limited, being one of the Initial Management Shareholders, engages in advertising business in print advertising and outdoor display advertising in Hong Kong.

Publi Promotion Network Asia Holdings Limited, being one of the Initial Management Shareholders, engages in promotion of print advertising in various publications in the Asian region. It is also involved in the sale of Internet banner display advertisements and the publication of in-flight magazines for airlines.

The Directors believe that the principal business objectives of the Group are different from those of Great Eagle Holdings Limited and its associates, JC Decaux Pearl & Dean Limited and Publi Promotion Network Asia Holdings Limited. Whilst the Group is focusing on recruitment advertising and the provision of related services, the websites and the advertising businesses currently operated by Great Eagle Holdings Limited, JC Decaux Pearl & Dean Limited and Publi Promotion Network Asia Holdings Limited cover various aspects other than recruitment advertising and are aimed at non-recruitment advertising clients. As such, the Directors are not aware of any significant impact or compromise in the past relating to business competition between the Group and its Initial Management Shareholders and believe that such competition should not have any significant impact on the future business development of the Group.

Save as otherwise disclosed above, none of the Directors and the Initial Management Shareholders had any investments in businesses which compete with the recruitment advertising business of the Group as at 30th September 2001.

By Order of the Board
Law Kwong Wah
Company Secretary

Hong Kong, 12th November 2001