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*This announcement, for which the directors of 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 for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:*

- 1. the information contained in this announcement 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 announcement misleading; and*
- 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



**Panda-Recruit Limited**

**(熊貓-Recruit有限公司)\***

*(Incorporated in the Cayman Islands with limited liability)*

## **CLARIFICATION OF PRESS ARTICLES ABOUT CERTAIN STATEMENTS IN THE PROSPECTUS**

- This announcement is to clarify certain press reportings about certain statements in the Company's Prospectus.
- The Company's legal adviser has reconfirmed to the Company that the subject statements in the Prospectus were not misleading for the reasons as set out in this announcement. Based on legal advice, the sponsor of the Company's listing application has confirmed the same to the board of directors of the Company.
- Century Faith is owned as to approximately 66.7 per cent., 22.2 per cent. and 11.1 per cent. by Great Eagle, Salespost Ltd. and Chan Family Investment Corporation Ltd. respectively. The ultimate owner of Salespost Ltd. is a discretionary trust managed by a third party professional trustee company and Mr. Lo Hong Sui, Vincent is one of the discretionary objects of the discretionary trust. The other discretionary objects include family members of Mr. Lo Hong Sui, Vincent and such individuals and corporations as may be appointed to the class of beneficiaries.
- Chan Family Investment Corporation Ltd. is a third party independent of the Company. For the avoidance of doubt, Chan Family Investment Corporation Ltd. is not a connected person (as defined under the GEM Listing Rules) to the Company.
- In respect of the 22.2 per cent. interest in Century Faith held by Salespost Ltd., the Company's legal adviser has confirmed that the statement about the 33.33 per cent. of Century Faith held by independent third parties is legally correct because the ultimate owner of Salespost Ltd. is a discretionary trust managed by a third party trustee who is legally independent from Mr. Lo Hong Sui, Vincent, notwithstanding the fact that the Trustee, under the GEM Listing Rules, is an associate of Mr. Lo Hong Sui, Vincent.

- The Directors believe that the relationship between Mr. Lo Hong Sui, Vincent and Salespost Ltd. and the fact that the trustee of the discretionary trust is an associate of Mr. Lo Hong Sui, Vincent under Rule 1.01 of the GEM Listing Rules could also have been described in the Prospectus for clarity purpose. The fact that this relationship was not so described in the Prospectus however did not in substance affect the material information contained in the Prospectus because Century Faith is already regarded as an Initial Management Shareholder and a connected person under the GEM Listing Rules and is subject to the moratorium requirement on its interest in the Company.
- The Company would like to clarify that Mr. Lo Hong Sui, Vincent is not acting as a representative of Century Faith in the board of directors of the Company. Mr. Lo Hong Sui, Vincent was invited by Mr. Chow and the Company to be a Director of the Company in his personal capacity. Accordingly, Mr. Lo Hong Sui, Vincent's position as a Director of the Company is independent from his role as a director in Century Faith.

## **INTRODUCTION**

With reference to several press articles on 21 July, 2000 regarding certain statements (the “Statements”) in the prospectus (the “Prospectus”) of Panda-Recruit Limited (the “Company”) dated 11 July, 2000 about the ownership of Century Faith, the Company would like to clarify the situation. Terms used in this announcement shall have the same meanings as defined in the Prospectus unless the contexts otherwise require.

## **THE RELATIONSHIP BETWEEN THE COMPANY, CENTURY FAITH, SALESPOST LTD. AND MR. LO HONG SUI, VINCENT**

The Company's legal adviser has reconfirmed to the Company that the Statements were not misleading for the reasons as set out in this announcement. Based on legal advice, the sponsor of the Company's listing application (the “Sponsor”) has confirmed the same to the board of directors of the Company. Century Faith currently owns approximately 29.4 per cent. interest in the Company and its board comprises four directors being Mr. Lo Hong Sui, Vincent, Dr. Lo Ka Shui, Mr. Lo Kai Shui and Mr. Chan Wing Kee. Century Faith is a company owned as to approximately 66.7 per cent., 22.2 per cent. and 11.1 per cent. by Great Eagle, Salespost Ltd. and Chan Family Investment Corporation Ltd respectively. Chan Family Investment Corporation Ltd. is a third party independent of the Company. For the avoidance of doubt, Chan Family Investment Corporation Ltd. is not a connected person (as defined under the GEM Listing Rules) to the Company.

The ultimate owner of Salespost Ltd. is a discretionary trust managed by a third party professional trustee company (“Trustee”) and Mr. Lo Hong Sui, Vincent is one of the discretionary objects of the discretionary trust. The other discretionary objects include family members of Mr. Lo Hong Sui, Vincent and such individuals and corporations as may be appointed to the class of beneficiaries. In this connection, the Company's legal adviser has confirmed that the statement about the 33.33 per cent. of Century Faith held by independent third parties is legally correct because the ultimate owner of Salespost Ltd., is a discretionary trust managed by the third party Trustee who is legally independent from Mr. Lo Hong Sui, Vincent, notwithstanding the fact that the Trustee, under the GEM Listing Rules, is an associate of Mr. Lo Hong Sui, Vincent. The board of Salespost Ltd. comprises two corporate directors. Mr. Lo Hong Sui, Vincent is one of the several directors in each of the aforesaid corporate directors. Save as described above, Salespost Ltd. does not have any shareholding interest in the Company. The Directors have confirmed that there were no past business relationship and transaction between the Group and Salespost Ltd. save for the ownership as described above. The Group does not intend to enter into any business transactions with Salespost Ltd. in the future. However, should there be any transactions entered between the aforesaid parties, such transactions will be conducted in full compliance with the GEM Listing Rules.

In the context of the GEM Listing Rules, Century Faith is a connected person to the Company by virtue of, inter alia, being a substantial shareholder of the Company. Under Rule 1.01 of the GEM Listing Rules, the Trustee is

an associate of Mr. Lo Hong Sui, Vincent. The fact that this relationship was not so described however did not in substance affect the material information contained in the Prospectus because, as described in the Prospectus, Century Faith, as an Initial Management Shareholder of the Company, has already undertaken not to dispose of its Shares in the Company for the first six months from the date on which dealings in the Shares on GEM commence provided that during the second six months immediately after such first six-month period, the controlling shareholders of the Company, being Mr. Chow and Ms. Ifan Chan, Century Faith, Great Eagle, Publicitas Asia and JCDP&D, must not, save as provided in the GEM Listing Rules or otherwise be permitted by the Stock Exchange, dispose of nor permit the registered holder to dispose of any of their respective direct or indirect interest in the Company such that the controlling shareholders would together cease to control less than 35 per cent. of the issued share capital of the Company. Furthermore, as of the date hereof, save as disclosed in the Prospectus, there is no other connected transaction (as defined in the GEM Listing Rules) between the Company and Century Faith.

The Directors believe that the relationship between Mr. Lo Hong Sui, Vincent and Salespost Ltd. and the fact that the Trustee is an associate of Mr. Lo Hong Sui, Vincent under Rule 1.01 of the GEM Listing Rules could also have been described in the Prospectus for the purpose of clarity. The fact that this relationship was not so described in the Prospectus however did not in substance affect the material information of the Prospectus.

#### **CLARIFICATION IN RESPECT OF THE STATEMENT ON PAGE 139 OF THE PROSPECTUS**

In respect of the statement on page 139 of the Prospectus “Apart from the representative nominated, the Directors and their respective associates as defined in the GEM Listing Rules are independent from Century Faith”, the Company would like to clarify that Mr. Lo Hong Sui, Vincent is not acting as a representative of Century Faith in the board of Directors of the Company. Mr. Lo Hong Sui, Vincent was invited by Mr. Chow and the Company to be a Director of the Company in his personal capacity. Accordingly, Mr. Lo Hong Sui, Vincent’s position as a Director of the Company is independent from his role as a director in Century Faith. The Trustee is independent of Mr. Lo Hong Sui, Vincent and Century Faith notwithstanding its passive indirect minority interest in Century Faith.

By Order of the Board  
**Law Kwong Wah**  
*Company Secretary*

Hong Kong, 23 July, 2000

*This announcement will remain on the GEM Web site on the “Latest Company Announcements” page and the Company’s website for 7 days from the date of its posting.*

*\* For identification purposes only*