

1 CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Occupation	Citizenship
Datuk Ali Abdul Kadir (Independent Non-Executive Chairman)	37, Persiaran Duta Taman Duta 50480 Kuala Lumpur	Company Director	Malaysian
Tan Sri Dato' Dr Lin See Yan (Independent Non-Executive Director)	21, Jalan Setiamurni 2 Bukit Damansara 50490 Kuala Lumpur	Company Director	Malaysian
Lim Chao Li (Non-Executive Director)	44, Jalan Universiti 46200 Petaling Jaya Selangor, Malaysia	Company Director	Malaysian
Ng Kay Yip (Non-Executive Director)	9 Gerbang Ampang Hilir 55000 Kuala Lumpur Malaysia	Company Director	Malaysian
Mark Chang (Executive Director)	41D Bangunan Leong Aun Jalan Masjid Kampar 31900 Perak, Malaysia	Chief Executive Officer	Malaysian
Suresh A/L Thirugnanam (Executive Director)	105, Lorong Burhanuddin Helmi 6 Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Vice President of Operations	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Tan Sri Dato' Dr Lin See Yan	Chairman	Independent Non-Executive Director
Datuk Ali Abdul Kadir	Member	Independent Non-Executive Chairman
Lim Chao Li	Member	Non-Executive Director

COMPANY SECRETARIES

Saw Bee Lean (MAICSA 0793472)
91 Jalan SS22/39
Damansara Jaya
47400 Petaling Jaya, Malaysia
Tel: 03 20957188

Tai Yit Chan (MAICSA 7009143)
888 Happy Garden
Jalan Kuchai Lama
58200 Kuala Lumpur, Malaysia
Tel: 03 20957188

REGISTERED OFFICE

Level 7 Setia 1
15 Lorong Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 03 20957188

HEAD OFFICE

Suite C207, 2nd Floor
Block 3440, Enterprise 1
Jalan Teknokrat 3
63000 Cyberjaya, Malaysia
Tel: 03 83180200
Fax: 03 83181676
Email: info@jobstreet.com
Website: www.jobstreet.com

REGISTRAR

Symphony Share Registrars Sdn Bhd (*formerly known as Malaysian Share Registration Services Sdn Bhd*)
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
Tel: 03 27212222

ISSUING HOUSE

Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
Tel: 03 26932075

PRINCIPAL BANKER

OCBC Bank (M) Bhd
Wisma Lee Rubber
Ground Floor, Jalan Melaka
50100 Kuala Lumpur, Malaysia
Tel: 03 26920344

**AUDITORS AND REPORTING
ACCOUNTANTS**

KPMG (Firm No. AF0758)
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel No: 03 20953388

SOLICITORS FOR IPO

Jeff Leong, Poon & Wong
Advocates and Solicitors
A-11-3A, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Tel: 03 21663225

**ADVISER, MANAGING UNDERWRITER,
PLACEMENT AGENT AND SPONSOR**

AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel: 03 20782633

UNDERWRITERS

AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel: 03 20782633

AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel: 03 20782633

LISTING SOUGHT

MESDAQ Market

JOBSTREET CORPORATION BERHAD

(Company No. 641378-W)

(Incorporated in Malaysia under the Companies Act, 1965)

2 SUMMARY

THE FOLLOWING SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION RELATING TO JOBSTREET GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

2.1 *History, Principal Activities and Group Structure*

JobStreet was incorporated in Malaysia under the Act on 6 February 2004 as a public limited company principally involved in the provision of interactive marketing services focusing on interactive advertising, targeted database marketing and training advertising services. It also operates as an investment holding company. JobStreet's subsidiary companies provide a host of synergistic operations relating to human capital ranging from online job postings, career website management, fresh graduate recruitment solutions, flexible staffing support and technology-assisted search and selection services. The Company has been granted the MSC status on 20 February 2004.

JobStreet Group is the operator of the *JobStreet.com* online recruitment sites, covering employment markets in Malaysia, Singapore, India and Philippines.

The Group's roots can be traced back to the internet portal business in Malaysia which began in 1995 under the direction of JM's founder Mark Chang. It was during the infancy of the portal business, when it was identified by the management that online recruitment services had good revenue potential relative to the other portal product/service offerings. By 1997, *JobStreet.com* had become the primary focus of the business with the formal incorporation of JM on 6 October 1997. Shortly thereafter, JM launched "SIVA", its ASP-based recruitment management system and saw it quickly gain acceptance by multinational corporations operating in Malaysia. In 1999, JM was awarded the MSC status by MDC. With the business showing potential, the incorporation of JS soon followed and through a reorganization, was made the holding company of JM.

JS received its first round of funding of SGD3 million from various funds led by WIIG in late 1999 and early 2000. A regional roll-out followed with the opening of offices in Singapore, the Philippines and India as well as the formal incorporation of JP and JI in late 1999 and early 2000 respectively.

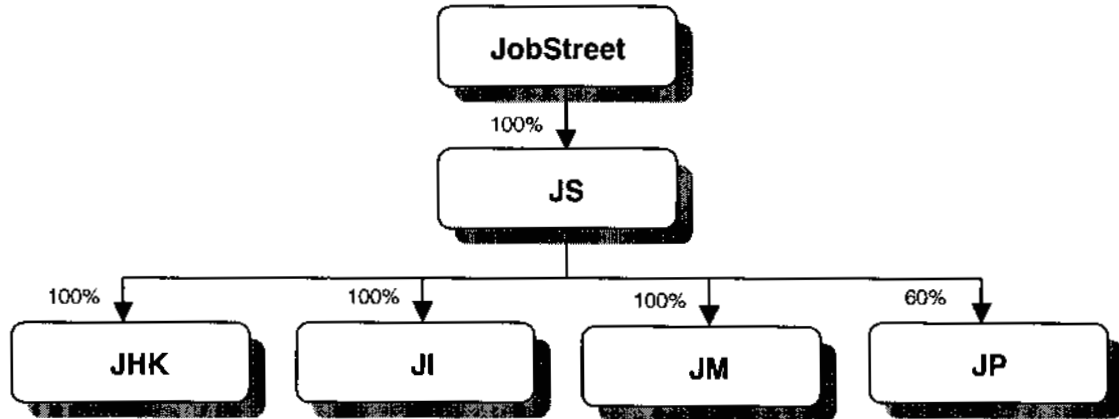
In early 2000, JS sold off its internet portal business to focus solely on the provision of online recruitment and related services to employers and jobseekers. The proceeds from the sale allowed for the continued expansion abroad and in mid-2001, JS received their second round funding of approximately USD1.75 million in an investment round led by Sumitomo Corporation.

With its financial position strengthened, the Group was able to focus on its core business, winning numerous awards including the following:-

- Internet Company of the Year - @my2000 Malaysia Internet Awards
- Internet Company of the Year - @my2001 Malaysia Internet Awards
- Best of Software Application for SIVA - Asia Pacific MSC Information Technology and Telecommunications Award (APMITTA) 2000
- E-Business Site of the Year - PIKOM-Computimes IT Awards 2001
- Webby Judges' and People's Choice Award for the Services Category – Philippines Web Awards 2001
- Top 5 dotcom – e50 dot.com 2001 Awards in Singapore organized by Accenture and Business Times

Since its inception, the Group has amassed a database of jobseekers comprising over 2.8 million individual profiles and resumes from Malaysia, Singapore, Philippines, India and other Asian countries such as Indonesia, Thailand, Hong Kong, Myanmar, China, etc. As an indication of the scale of its operations, the Group currently facilitates over 1 million job applications via the Internet per month.

Below is a graphical presentation of the Group structure:-



The summary details of the subsidiaries of JobStreet are as follows:-

Subsidiaries	Date and Place of Incorporation	Total Issued & Paid-up Share Capital	Par Value	Principal Activities	Effective Interest (%)
JS	17/07/1999 Singapore	SGD1,596,623.50	SGD0.10	Investment holding and the provision of online recruitment and related services focusing on the Singapore market	100.0
Subsidiary companies of JS					
JM	6/10/1997 Malaysia	RM100,000	RM1.00	Provision of online recruitment and related services focusing on the Malaysia market	100.0
JI	16/02/2000 India	Rp3,109,800	Rp10	Provision of online recruitment and related services focusing on the India market	100.0
JP	21/10/1999 Philippines	Pesos 14,114,000	Pesos1	Provision of online recruitment and related services focusing on the Philippines market	60.0
JHK	26/05/2000 Hong Kong	HKD2	HKD1	Dormant	100.0

Further information on the above companies is disclosed in Section 5.13 of this Prospectus.

2.2 Products and Services

JobStreet Group provides multiple products and services to the complementary markets of employers and jobseekers in Malaysia, Singapore, Philippines and India. A summary of the Group's main products and services are as follows:-

Employer Services	Description
JobStreet ESSENTIAL	The core service of <i>JobStreet.com</i> featuring an e-recruitment solution comprising job posting functions which allows a two-way exchange of information between employers and jobseekers as well as services for jobseekers such as job notification which will aid their job hunting activities. This service is offered on a fee basis to employers and is free to jobseekers.
JobStreet SELECT	Search and selection projects undertaken to short-list candidates for companies. This service is generally offered on a contingency fee basis.
JobStreet IMPACT	Career website and candidate database management services for the use of companies on their own corporate websites, allowing for the posting of job opportunities, application tracking, creation of a separate database of resumes and applicants, filtering, search and shortlist functions and others. A portion of the revenue from this service is recurring.
JobStreet RESOURCE	An outsourcing staff service which provides human resources on contractual basis to companies on short notice, allowing a more flexible workforce structure. The fees charged for this service are based on a certain margin above the cost of staff provided.
JobStreet DIRECT	A marketing service offered to companies, which enables them to promote their products and services to a pool of jobseekers that are relevant to their profile, without infringing on the privacy of the jobseekers, via JobStreet's job notification system, banner advertising and stand-alone e-mails on a "opt-in" permission basis. The revenue from JobStreet DIRECT is on a contractual basis.
JobStreet CAMPUS	A unique service allowing companies to mine a database of fresh graduate candidates and to leverage on JobStreet's popularity to extend their brand to fresh graduates. Corporate customers using this service are charged subscription rates payable on an annual basis.
JobStreet LEARNING	A service offering focused training courses to corporations through its partnership with other third party training companies. It also allows training organisations and educational institutions to advertise their training programme/courses on the Group's websites.

The Group also provides a mix of both revenue and non-revenue generating services to jobseekers ("JobSeeker Services") which includes job/career portal with resume depository and online application facility, job and application tracking service, job alerts via SMS, "opt-in" access to promotions by third party vendors and others.

Further information on the above services is disclosed in Section 5.3 of this Prospectus.

2.3 Intellectual Property

The Group has filed trademark applications in respect of "JobStreet.com" and "JobStreet" with the trademarks registry in Malaysia, Singapore, Philippines and India to prevent unauthorized usage of the brand names.

The status of the primary trademark applications mentioned above are as follows:-

(a) JobStreet.com

Country	Application date	Status	Registered owner/applicant
Malaysia	04/04/2001	Pending	JM
Singapore	14/03/2001	Registered	JS
Philippines	27/02/2003	Pending	JP
India	23/06/2003	Registered	JM

(b) JobStreet

Country	Application date	Status	Registered owner/applicant
Malaysia	04/04/2001	Pending	JM
Singapore	14/03/2001	Registered	JS
India	23/06/2003	Registered	JM
Philippines	02/07/2004	Pending	JM

JobStreet Group has developed proprietary software in-house as follows:-

Software Applications

Application	Description
SiVA	A recruitment management system made accessible online to corporate customers
MyJobStreet	A career management portal which has been made accessible online to jobseekers
LiNA	A matching software which enables the matching of job requirements with skills and preferences of jobseekers
Customer Relationship Management – Intranet	An internally developed intranet which manages customer relationships from prospects through sales orders, invoices and management reporting

In addition to the above trademarks and intellectual properties, the Group has also registered the following domain names with the respective domain registration governing bodies:-

Domain Names	Governing Body
jobstreet.com	Internet Corporation for Assigned Names and Numbers (ICANN)
jobstreet.com.my	Malaysian Network Information Centre, Mimos Berhad
jobstreet.com.sg	Singapore Network Information Centre Pte Ltd
jobs.com.my	Malaysian Network Information Centre, Mimos Berhad
jobstreet.com.ph	PH Domain Foundation
jobstreet.co.in	National Centre for Software Technology
jobstreet.biz	ICANN

The Group's software are mostly developed internally using programming tools and technology available in the market. No royalties are paid to any third party.

Further information on the Group's trademarks and intellectual properties above is disclosed in Section 5.8 of this Prospectus.

2.4 Research and Development Capabilities

JobStreet Group has an R&D centre in Cyberjaya currently carrying out work under an MSC Research and Development ("MGS") grant which was approved by MDC on 1 July 2003. The Group's R&D is undertaken with the primary objectives of improving its customers' recruitment process, development of new services, facilitating internal process efficiency and overall enhancement of service quality and speed.

The R&D team has successfully developed a customized intranet application which supports the critical functions of the Group's customer relationship management from sales through invoicing and management reporting. The R&D team also supports customisation requirements for JobStreet IMPACT customers and is credited with having developed the Group's SiVA recruitment management system, LiNA matching agent and JobStreet IMPACT recruitment solution.

As at 1 October 2004, the R&D team consists of a total of 21 persons and is headed by Dr. Albert Wong Siew Hui. The team is assisted by Mark Chang, who is responsible for setting out the overall policies and directions of the R&D team. The profiles of Dr. Albert Wong Siew Hui and Mark Chang are outlined in Section 7.3 and 7.2 of this Prospectus respectively.

Further information on the R&D capabilities of JobStreet Group is disclosed in Section 5.7 of this Prospectus.

2.5 Ownership and Management

The direct and indirect interest of the Promoters, substantial shareholders, Directors and key management or technical personnel in the issued share capital of JobStreet upon completion of the IPO are as follows: -

	Designation	After IPO				After full exercise of ESOS options ^(a)			
		Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Promoters									
Mark Chang	Founder / CEO	34,115	16.97	-	-	35,615	16.11	-	-
Dr. Albert Wong Siew Hui	VP - Technology	25,078	12.48	-	-	25,878	11.70	-	-
Lim Chao Li	Non-Executive Director	17,889	8.90	-	-	17,889	8.09	-	-
Ng Kay Yip	Non-Executive Director	20,426	10.16	-	-	20,426	9.24	-	-
Suresh A/L Thirugnanam	Executive Director / VP - Operation	9,977	4.96	-	-	10,777	4.87	-	-
Gregory Charles Poarch	VP - Finance	8,177	4.07	-	-	8,977	4.06	-	-
Natarajan Muralidharan	VP and GM - India	3,845	1.91	-	-	4,645	2.10	-	-
Substantial Shareholders									
Mark Chang	Founder / CEO	34,115	16.97	-	-	35,615	16.11	-	-
Dr. Albert Wong Siew Hui	VP - Technology	25,078	12.48	-	-	25,878	11.70	-	-
Lim Chao Li	Non-Executive Director	17,889	8.90	-	-	17,889	8.09	-	-
Ng Kay Yip	Non-Executive Director	20,426	10.16	-	-	20,426	9.24	-	-
WIIG	-	10,573	5.26	-	-	10,573	4.78	-	-
Directors									
Datuk Ali Abdul Kadir	Independent Non-Executive Chairman	^(b) 2,000	1.00	-	-	3,000	1.36	-	-
Tan Sri Dato' Dr Lin See Yan	Independent Non-Executive Director	^(b) 1,000	0.50	-	-	2,000	0.90	-	-
Lim Chao Li	Non-Executive Director	17,889	8.90	-	-	17,889	8.09	-	-
Ng Kay Yip	Non-Executive Director	20,426	10.16	-	-	20,426	9.24	-	-
Mark Chang	Founder / CEO	34,115	16.97	-	-	35,615	16.11	-	-
Suresh A/L Thirugnanam	Executive Director / VP - Operation	9,977	4.96	-	-	10,777	4.87	-	-
Key Management / Technical Personnel									
Mark Chang	Founder / CEO	34,115	16.97	-	-	35,615	16.11	-	-
Dr. Albert Wong Siew Hui	VP - Technology	25,078	12.48	-	-	25,878	11.70	-	-
Suresh A/L Thirugnanam	Executive Director / VP - Operation	9,977	4.96	-	-	10,777	4.87	-	-
Gregory Charles Poarch	VP - Finance	8,177	4.07	-	-	8,977	4.06	-	-
Natarajan Muralidharan	VP and GM - India	3,845	1.91	-	-	4,645	2.10	-	-

Notes:-

- (a) The shareholdings shown here are based on the assumption that the total number of options granted under the ESOS is 10% of the Company's enlarged issued and paid-up share capital upon listing and that the parties above have accepted and exercised in full the ESOS options proposed to be allocated to them as part of the Initial Grant.
- (b) Based on their respective entitlements for the pink form share allocation pursuant to the IPO.

Profiles and details of the Promoters, substantial shareholders, Directors and key management or technical personnel, and their respective direct and indirect shareholdings in JobStreet, are further disclosed in Section 7 of this Prospectus.

2.6 Financial Highlights

The proforma consolidated income statements of JobStreet Group for the five financial period/years ended 31 December 2003 and the six months financial period ended 30 June 2004, which have been prepared for illustrative purposes only and based on the audited financial statements of JobStreet Group on the assumption that the Group has been in existence throughout the periods under review, are as follows:-

	15-month period ended 31/12/99	Year ended 31/12/00	Year ended 31/12/01	Year ended 31/12/02	Year ended 31/12/03	6-month period ended 30/06/04
	RM	RM	RM	RM	RM	RM
Revenue	2,607,789	6,253,271	9,907,722	12,481,172	19,399,165	16,170,807
EBIDTA before gain on disposal of subsidiary	(368,613)	(9,260,411)	(2,900,371)	896,002	4,466,208	5,174,534
Gain on disposal of subsidiary	-	9,710,198	-	-	-	-
Interest	(104,929)	(497,016)	(996,117)	(722,798)	(821,521)	(422,217)
Depreciation	(87,868)	(773,956)	(652,491)	(590,513)	(590,376)	(256,597)
Profit before exceptional items	(561,410)	(821,185)	(4,548,979)	(417,309)	3,054,311	4,495,720
Exceptional items	-	-	-	-	-	-
Profit/(Loss) before minority interest and taxation	(561,410)	(821,185)	(4,548,979)	(417,309)	3,054,311	4,495,720
Minority interest	66,640	241,557	(53,422)	(140,261)	(116,402)	(207,868)
Profit/(Loss) before taxation	(494,770)	(579,628)	(4,602,401)	(557,570)	2,937,909	4,287,852
Taxation	-	(28,000)	192,511	(103,860)	(181,441)	(248,829)
Profit/(Loss) after taxation	(494,770)	(607,628)	(4,409,890)	(661,430)	2,756,468	4,039,023
Number of ordinary shares of RM0.10 each assumed in issue ('000)	183,000	183,000	183,000	183,000	183,000	183,000
Gross earnings per share (RM)	*	*	(0.03)	*	0.02	** 0.02
Net earnings per share (RM)	*	*	(0.02)	*	0.02	** 0.02

* Negligible.

** Based on the financial results for the 6-months period ended 30 June 2004.

Notes :-

- (a) There are no extraordinary items for all the financial periods/years under review.
- (b) During the financial year ended 31 December 2001, JS adopted Singapore Accounting Standard ("SAS") 32, "Financial Instruments: Disclosure and Presentation", a standard similar to MASB 24 "Financial Instruments: Disclosure and Presentation". Following the adoption of SAS 32, the RCPS which were previously classified as equity, were reclassified as liabilities. In preparing the proforma consolidated financial results, adjustments were made to the financial statements of JS to account for the retrospective effect of RCPS in accordance with the adoption of SAS 32 by JS.
- (c) The prior year adjustments in the audited financial statements of JM on the recognition of the costs related to unutilised annual leave (arising from the adoption of MASB 29) were not incorporated in the JS audited financial statements as the amounts involved were not significant. Consequently, the effects of the prior year adjustments are not reflected in the proforma consolidated financial results of JobStreet Group.
- (d) The audited financial statements of JS, JP and JI are stated at their respective reporting currencies. The companies' results have been translated to RM based on the average rates prevailing during each of the respective period/years as set out below:
- | | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------|------|------|------|------|------|------|
| JS (SGD) | 2.29 | 2.20 | 2.12 | 2.19 | 2.18 | 2.24 |
| JP (100 Pesos) | - | 8.55 | 7.45 | 7.36 | 6.99 | 6.77 |
| JJ (100 Rp) | - | 8.49 | 8.05 | 7.94 | 8.17 | 8.45 |
| JHK (HKD) | - | 0.49 | 0.49 | 0.49 | 0.49 | 0.49 |
- (e) The gross and net EPS are calculated based on the PBT and PAT after MI divided by the number of ordinary shares of RM0.10 in JobStreet assumed in issue after the completion of the acquisition of JS and the share split but before the public issue.
- (f) During the year ended 31 December 2000, JS disposed its substantial interest in MOL Online Sdn Bhd, resulting in a consolidated gain on disposal of RM9.7 million.
- (g) There were no audit qualifications in the years / periods under review.

Details concerning the Proforma Statement below are shown in the Proforma Consolidated Balance Sheets of the Company are as follows:-

	Company	Proforma I	Proforma II	Proforma III
	As at 30 June 2004	After Proposed Acquisition and Share Split	After Proforma I and IPO	After Proforma II and Proposed ESOS
	RM'000	RM'000	RM'000	RM'000
Plant and equipment	-	1,257	2,257	2,257
Goodwill	-	6,440	6,440	6,440
Deferred tax asset	-	41	41	41
Current assets	..(a)	18,257	25,031	35,885
Current liabilities	44	6,850	6,404	6,404
Net current (liabilities)/assets	(44)	11,407	18,627	29,481
	(44)	19,145	27,365	38,219
FINANCED BY:				
Share capital	..(a)	18,300	20,100	22,110
Share premium	-	227	6,647	15,491
Accumulated loss	(44)	(44)	(44)	(44)
Shareholders' funds	(44)	18,483	26,703	37,557
Minority interest	-	653	653	653
Deferred taxation	-	9	9	9
	(44)	19,145	27,365	38,219
Net tangible assets (RM'000)	(44)	12,002	20,222	31,076
Net tangible assets per share (sen)	..(d)	6.56	10.06	14.05
Number of ordinary shares in issue ('000)	..(b)	183,000 (c)	201,000 (c)	221,100 (c)

(a) RM2

(b) 2 ordinary shares of RM1.00 each

(c) Ordinary shares of RM0.10 each

(d) (RM22,000)

Notes:-

Proforma I - Proforma I incorporates the Acquisition of JS and Share Split.

Proforma II - Proforma II incorporates Proforma I, the Public Issue and after adjusting for the estimated listing expenses of RM1.5 million against the Share Premium account.

Proforma III - Proforma III incorporates Proforma II and the assumption that the 20,100,000 options are granted and fully exercised at the exercise price equivalent to the issue price of RM0.54 per Share.

Detailed financial information and the Proforma Consolidated Balance Sheets and Reporting Accountants' letter of the Group together with their corresponding notes are set out in Section 8 "Financial Information", Section 8.6 "Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets" and Section 10 "Accountants' Report", of this Prospectus.

2.7 Risk Factors

Investors are advised to carefully consider the risk factors inherent in and affecting the businesses of JobStreet Group and this offering, prior to making an investment in the Company. Certain sections of this Prospectus contain forward-looking statements that involve risks and uncertainties. Actual results of the Group when materialised could differ materially from those discussed herein. Key factors that could cause or contribute to such differences include, but are not limited to, those discussed in Section 4 "Risk Factors" of this Prospectus, namely:-

- Dependence on Business Environment and the Employment Market
- Future Capital Requirement
- No Assurance of Continued Profitability
- No Assurance of Success of New Products and Services
- Risks Associated with Operations
- Dependence on Key Personnel
- Protection of Intellectual Property Rights
- Risks of System Failures
- Insurance Coverage
- Rapid Technological Change
- Competition
- Reliance on Advertising Revenue
- Changes in Political, Economic and Social Conditions
- Concentration of Equity Ownership
- Regulatory Risks
- Change in or Loss of the MSC Status
- Legal Uncertainties
- Internet as a Recruitment Medium
- Uncertainties in the 5-year Business Development Plan
- Risks Associated with Brand Development
- Volatility of Share Price
- Shares Eligible for Future Sale
- Disclosure Regarding Forward-Looking Statements
- Failure or Delay in Listing

If you are unsure about any of the information contained in the section on "Risk Factors", you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

2.8 IPO Statistics

The following statistics relating to the IPO are derived from the full text of this Prospectus and should be read in conjunction with the text.

Authorised share capital:	RM
500,000,000 ordinary shares of RM0.10 each ("Shares")	50,000,000
Issued and fully paid-up share capital:	
183,000,000 Shares	18,300,000
To be issued pursuant to the Issue:	
18,000,000 Shares	1,800,000
Enlarged share capital upon listing	
201,000,000 Shares	20,100,000
To be issued pursuant to full exercise of ESOS options	
20,100,000 Shares	2,010,000
Enlarged Share Capital upon full exercise of ESOS options	22,110,000
Issue Price per Share	RM0.54

The IPO shall be by way of private placement/public offering. There is only one class of shares in the Company, namely ordinary shares of RM0.10 each. The Issue Shares shall rank pari passu in all respects with the existing issued Shares of the Company, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

Proforma NTA based on the Proforma Consolidated Balance Sheet as at 30 June 2004:-

Consolidated NTA upon listing (RM'000) (a)	20,222
Consolidated NTA per Share upon listing (sen) (b)	10.06

Note:-

- (a) After incorporating the Acquisition of JS, Share Split and the Public Issue and adjusting for the estimated listing expenses of RM1.5 million.
 (b) Based on the enlarged share capital of the Company upon completion of the IPO comprising 201,000,000 Shares.

2.9 Proceeds of IPO and Proposed Utilisation

The gross proceeds of RM9.72 million accruing to JobStreet from the IPO will be utilised as follows: -

	RM'000	Indicative timeframe for utilisation of proceeds
Capital expenditure	1,000	2 years from the listing date
Working capital	7,220	2 years from the listing date
Listing expenses	1,500	Upon listing
TOTAL	9,720	

Note : Details of the proceeds utilisation is further disclosed in Section 3.6 of this Prospectus.

2.10 Material Litigations, Material Commitments, Borrowings, Contingent Liabilities and Working Capital

As at 1 October 2004, being the latest practicable date prior to the issuance of this Prospectus, there does not exist any material litigation, material commitment or contingent liability which may materially affect the Company/Group.

The Directors of JobStreet are of the opinion that after taking into account of the Group's cashflow position and gross proceeds from the IPO, the Group would have sufficient working capital for a period of 12 months from the date of the issue of the Prospectus.

As at 1 October 2004, being the latest practicable date prior to the issuance of this Prospectus, the Group does not have any bank borrowing.

Further details are disclosed in the Section 8.5 of this Prospectus.

3 INTRODUCTION AND DETAILS OF THE IPO

This Prospectus is dated 22 October 2004.

A copy of this Prospectus has been registered with the SC and lodged with the Registrar of Companies, who takes no responsibility for its contents.

Approvals have been obtained from the SC and Bursa Securities on 16 September 2004 and 17 September 2004 respectively for the proposed listing of JobStreet. Approval has also been obtained from Bursa Securities for the admission of JobStreet to the Official List and for the listing of and quotation for the issued and paid-up share capital of JobStreet on the MESDAQ Market. These Shares will be admitted to the Official List on the MESDAQ Market and official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

The approvals of the SC and Bursa Securities obtained vide their letters dated 16 September 2004 and 17 September 2004 respectively shall not be taken to indicate that the SC and Bursa Securities recommends the IPO and investors should rely on their own evaluation to assess the merits and risks of the IPO.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the securities of the Company to be deposited with Bursa Depository. In consequence thereof, the Public Issue Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository.

An applicant for the Public Issue Shares should state his CDS account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he/she should open a CDS Account at an ADA prior to making an application for the Public Issue Shares.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the MESDAQ Market is not to be taken as an indication of the merits of the Company and its subsidiaries or of its Shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by JobStreet. Neither the delivery of this Prospectus or any offer made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date hereof.

The distribution of this Prospectus and the sale of the Public Issue Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and shall not be used for the purpose of an invitation to subscribe for the Public Issue Shares in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3.1 Share Capital

	Number of Shares	RM
Authorised share capital	500,000,000	50,000,000
Issued and paid-up share capital	183,000,000	18,300,000
Public Issue / Private Placement	18,000,000	1,800,000
Share Capital upon IPO	201,000,000	20,100,000
ESOS	20,100,000	2,010,000
Enlarged Share Capital	221,100,000	22,110,000

There is only one class of shares in JobStreet, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another. The IPO Shares to be issued pursuant to this Prospectus will rank *pari passu* in all respect with the existing Shares of JobStreet including voting rights and rights to all dividends that may be declared subsequent to the date of allotment of the Shares.

Subject to any special rights attaching to any shares which may be issued by JobStreet in the future, the holders of Shares in JobStreet shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a member of the Company.

3.2 Details of the IPO

The Public Issue of 18,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.54 are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated in the following manner:-

- a) 3,000,000 new Shares will be made available for application by the Public under the public offer;
- b) 6,000,000 new Shares will be made available for application by the eligible directors and employees and/or other persons and companies who have contributed to the success of the Group;

The total number of persons eligible for the pink forms allocation is in the region of 420. The allocation for pink form shares to the eligible directors and employees and/or persons contributing to the success of the Group are based on seniority, job position, length of service and contribution made to the Group.

The allocations to the eligible directors are as follows:-

Name of directors	Number of Shares
Datuk Ali Abdul Kadir	2,000,000
Tan Sri Dato' Dr Lin See Yan	1,000,000
TOTAL	3,000,000

- c) 9,000,000 new Shares will be made available for application by investors identified pursuant to the issuance of this Prospectus under the private placement.

Any Shares not taken up in respect of paragraph (b) and (c) above will be reallocated to the eligible directors and employees and/or other persons and companies who have contributed to the success of the Group prior to making any unallocated shares available for application by the Public. Any further shares not subscribed by the Public under the public offer will be made available for placement and vice versa. Save for 2,500,000 placement Shares included in (c) and 3,000,000 Shares included in (b) above, all the IPO Shares will be underwritten by the Underwriters in compliance with the Listing Requirements. There is no minimum level of subscription in respect of the IPO.

3.3 Critical dates of the IPO

Below outlines the tentative timetable for the IPO of JobStreet:-

Events	Date
Date of Prospectus / Opening date of the public offering	22 October 2004
Closing date of the public offering	1 November 2004
Date of balloting	3 November 2004
Listing Date	29 November 2004

The Application List for the IPO will open at 10.00 a.m. on 22 October 2004 and will remain open until 5.00 p.m. on 1 November 2004 or for such further period or periods as the Directors of JobStreet in their discretion may decide, in consultation with the Managing Underwriter.

Where the closing date of application is extended from the original closing date, the notice of such extension(s) will be advertised in a widely circulated Bahasa Malaysia and English newspaper.

3.4 Purposes of the IPO

The purposes of the IPO are as follows: -

- (a) To raise funds for the Group's continued operations, development and expansion, details of which are elaborated in the Section 3.6 "Utilisation of Proceeds" of this Prospectus;
- (b) To obtain the listing of and quotation for the entire issued and paid-up capital of JobStreet on the MESDAQ Market, which is expected to enhance the profile and future prospects of the Group;
- (c) To provide access to the capital market for the Group's future expansion and growth; and
- (d) To provide an opportunity for investors, the eligible employees and directors, and/or persons and companies contributing to the success of JobStreet Group to participate in the equity and continuing growth of the Company.

3.5 Pricing of the IPO

Prior to the offering, there has been no public market for the Shares. The IPO price of RM0.54 per Share was agreed upon between the Company and the Managing Underwriter after considering factors, in addition to prevailing market conditions, such as the Group's estimates of business growth potential and revenue prospects, historical performances, the Group's intellectual property and technology, an assessment of the Group's management as well as the consideration of the above factors in relation to market valuation of other companies listed on the MESDAQ Market.

Investors should note that the market price of JobStreet's Shares upon listing on the MESDAQ Market, are subject to the vagaries of market forces and other uncertainties which may affect the price of JobStreet's Shares when they are traded.

3.6 Utilisation of Proceeds

The aggregate gross proceeds of the IPO of RM9.72 million shall accrue entirely to JobStreet, who shall bear all expenses such as underwriting commission, brokerage and all other expenses and fees incidental to the listing of and quotation for its entire enlarged issued and paid-up share capital on the MESDAQ Market, which is estimated at RM1.5 million. The said proceeds are expected to be utilised in the following manner:-

	Notes	RM'000	Indicative timeframe for utilisation of proceeds
Capital expenditure	(a)	1,000	2 years from the listing date
Working capital	(b)	7,220	2 years from the listing date
Listing expenses	(c)	1,500	Upon listing
TOTAL		9,720	

Notes: -

- (a) Principally used for the capital expenditure of the Company on items such as computer hardware and software, office equipments and etc.
- (b) This amount is to be utilised for the general working capital purposes of JobStreet Group, which include R&D, acquisitions, regional expansion and others, to cater for the expected growth in the Group's operations.
- (c) Expenses incidental to the proposed listing of JobStreet, comprising underwriting commission, brokerage fees, advisers' fees, authorities' fees and other costs associated with the IPO. The breakdown of the listing expenses are as follows:-

	RM('000)
Professional fees	952
Fees of the authorities	40
Underwriting, brokerage and other related fees	292
Printing and advertising fees	110
Miscellaneous	106
Total	1,500

JobStreet intends to fully utilise the proceeds of the IPO within 2 years from the listing date. Any difference arising from the proposed utilisation will be adjusted accordingly in working capital requirements.

3.7 Brokerage and Underwriting Commission

Brokerage is payable in respect of the IPO Shares by the Company at the rate of one percent (1%) of the IPO price of RM0.54 per Share in respect of successful applications which bear the stamp of AmMerchant Bank, member companies of the MESDAQ Market, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Managing Underwriter and Underwriters mentioned herein have agreed to underwrite 12,500,000 IPO Shares to be offered to the public investors, Directors and employees and/or persons contributing to the success of the Group and identified investors. Underwriting commission of 2.0% of the issue price of RM0.54 per Share is payable by the Company to the Underwriters and Managing Underwriter respectively for the portion underwritten.

The salient terms of the Underwriting Agreement dated 14 October 2004 ("Agreement"), including escape clauses which may allow the Underwriters to withdraw from obligations under the Agreement after the opening of the Public Issue, are as follows:-

(Note: Unless stated, all capitalised terms shall bear the same meanings as prescribed in the Agreement)

Clause 2.3

The obligations of the Managing Underwriter and the Underwriters under the Agreement are conditional upon:-

- 2.3.1 *there having been on or prior to the Closing Date, neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of the Company or its Subsidiaries, which is material in the context of the Public Issue from that set forth in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the reasonable opinion of the Underwriters, which makes any of the representations and warranties contained in Clause 3 untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3;*
- 2.3.2 *the delivery to the Managing Underwriter:-*
- 2.3.2.1 *prior to the date of the registration of the Prospectus, a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; and*
- 2.3.2.2 *a certificate, in the form or substantially in the form contained in the SECOND SCHEDULE, dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 2.3.1.*
- 2.3.3 *the delivery to the Managing Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the board of directors of the Company as the Underwriters or the Managing Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company or its Subsidiaries;*
- 2.3.4 *the Managing Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 12;*
- 2.3.5 *the Public Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;*
- 2.3.6 *the Company having complied and that the Public Issue is in compliance with the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto; and*
- 2.3.7 *the acceptance for registration by the SC of the Prospectus and such other documents as may be required in accordance with the SC Act in relation to the Public Issue and the lodgement of the Prospectus with the Registrar of Companies on or before their release under the Public Issue; and*
- 2.3.8 *Bursa Securities agreed and approved in principle on or prior to the Closing Date to the listing of and quotation of the entire enlarged issued and paid-up share capital of the Company on the MESDAQ Market and the SC (as the case may be) having approved the Prospectus and if such approvals shall be conditional, all conditions thereto being in terms acceptable to the Underwriters and the Underwriters being reasonably satisfied that such listing and quotation shall be granted 3 clear Market Days after the Issue Shares have been issued and despatched to entitled holders and after the receipt of all relevant documents pertaining to the listing and quotation of the entire enlarged issued and paid-up share capital of the Company by Bursa Securities and the Prospectus being in form and substance satisfactory to the Underwriters.*

Clause 5.3

Any Underwriting Commission payable to the Underwriters shall remain payable to the Underwriters notwithstanding that this Agreement shall be terminated or the obligations of the Underwriters shall be cancelled or terminated or withdrawn for any reasons whatsoever unless such termination or cancellation or withdrawal is due to the default of the Underwriters and in which event, the Underwriters shall not be entitled to its Underwriting Commission.

Clause 8.1

Notwithstanding anything herein contained, the Managing Underwriter and/or the Underwriter, acting through the Managing Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:-

- 8.1.1 there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company to the satisfaction of the Underwriters, or by the Closing Date, whichever is earlier; or
- 8.1.2 there is withholding of information of a material nature from the Underwriters, which is required to be disclosed pursuant to this Agreement, and if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Managing Underwriter and/or Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares; or
- 8.1.3 there shall have occurred, happened or come into effect any material and adverse change to the business or financial condition of the Company or the Group; or
- 8.1.4 there shall have occurred, happened or come into effect any of the following circumstances:-
- (a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
- (b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Managing Underwriter and/or the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);
- which, (in the reasonable opinion of the Managing Underwriter and/or the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or
- 8.1.5 there is failure on the part of the Company to perform any of its obligations herein contained.

Clause 8.2

Upon such notice(s) being given under Clause 8.1, the Managing Underwriter and/or the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby this Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of this Agreement, except that the Company shall remain liable in respect of its obligations and liabilities under Clause 3 and under Clause 12 for the payment of the costs and expenses already incurred prior to or in connection with such termination and under Clause 12 for the payment of any taxes, duties or levies and for any antecedent breach.

3.8 Future Financials

The Group's revenue and operating results are difficult to forecast and could be adversely affected by many factors such as, but not limited to, those discussed in Section 4 of this Prospectus. As such, the forecast of the Group is not disclosed in the Prospectus.

4 RISK FACTORS

Prior to making an investment decision, potential applicants for the IPO Shares should carefully consider, in addition to all other relevant information contained elsewhere in this Prospectus, the following risk factors before making the application for the IPO Shares.

4.1 Dependence on Business Environment and the Employment Market

The performance of JobStreet Group, being involved in the provision of online recruitment services, is very sensitive to the overall strength of the business environment and employment markets. Any downturn in the economy or business environment in the countries which JobStreet operates, will likely affect the employment rates and as a consequence cause a general decline in the Group's earnings on the sale of its employment related services. Although the Group has shown in the past that it can perform well in an unfavorable economic climate, there can be no assurance that the Group can continue to do so for the future or that employment conditions will remain favourable such that the Group can maintain its profitability throughout.

4.2 Future Capital Requirement

The Group currently anticipates that the net proceeds of this offering, together with its available funds, will be sufficient to meet its anticipated needs for working capital, capital expenditures and business development plans through at least the next 12 months. Thereafter, the Group may need to raise additional funds to fund its further expansion, develop new or enhanced services, respond to competitive pressures or acquire complementary businesses or technologies. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of the shareholders of the Group will be reduced, shareholders may experience dilution in addition to those detailed in Section 4.22 below and such securities may have rights, preferences and privileges senior to those of the Group's Shares. There can be no assurance that additional financing will be available on terms favorable to the Group or at all. If adequate funds are not available or are not available on acceptable terms, the Group may not be able to fund its expansion, take advantage of unanticipated acquisition opportunities, develop or enhance services or products or respond to competitive pressures. Such inability could have a material adverse effect on the Group's business, results of operations and financial condition.

4.3 No Assurance of Continued Profitability

The Group's business model depends on recurring revenue from prospective employers using the Group's websites and hosting fees associated with its application software and other such similar services. If the Group's existing customers decide to discontinue the services of the Group and should the Group be unable to replace such customers, the Group's revenue will decrease.

JobStreet believes that the Group's continued growth and profitability will depend amongst others on its ability to increase its brand name awareness, provide its corporate customers with superior job advertising and matching services, and attracting a sufficient pool of registered jobseekers to enhance its effectiveness as an online recruitment services company. As a result, JobStreet Group intends to invest in marketing and promotion and the further development of its websites, technology and services. Although the Group has experienced significant growth in revenue and number of registered users in recent periods, such growth rates may not be sustainable and may decrease in the future. In view of its limited operating history, the Group believes that period-to-period comparisons of its operating results are not necessarily meaningful and should not be relied upon as indications of future performance.

Further, as detailed in Section 2.6 and 8.6 of this Prospectus, there is a goodwill amounting to approximately RM6.44 million included in the Company's proforma consolidated balance sheet assuming completion of the Acquisition of JS on 30 June 2004. As it is the Group's policy to subject the goodwill amount to impairment tests, in the event that an impairment loss is recognised, the financial performances of the Group will be materially affected in an adverse manner. There are presently no available mitigating steps/actions to minimise the risk of an impairment loss, and as such there can be no assurance that the Group will not be affected by the risk of impairment loss with respect to its goodwill.

4.4 No Assurance of Success of New Products and Services

As the Group's business is mainly centred upon the use of the ubiquitous Internet, the Group expects to continually develop and introduce new products and services to attract and retain its customers, enhance its revenue stream and to compete with its competitors. The failure of the Group to develop any new or enhanced products and services or its ability to achieve market acceptance for any of its new or enhanced products and service and generate revenue could result in a material adverse effect on the Group's revenue. Any new or enhanced products or services introduced by the Group that is not favourably received could also damage the Group's reputation and the perception of its brand name. To this end, with the help of its growing database of employers and jobseekers, the Group is able to perform all the necessary market research, beta testing and trial run of its products and services to gauge the market acceptance of the new or enhanced products and services before launching such products and services.

4.5 Risks Associated with Operations

A key part of the Group's strategy for growth in the future is to develop the *JobStreet* brand and its corresponding online recruitment service business in Malaysia and other regional markets such as Indonesia, Thailand and China. The Group currently operates localized or mirror versions of its websites in Malaysia, Singapore, Philippines and India, and has invested much on the promotion of the use of its services in these countries. If the regional revenues are not adequate to offset investments in such activities, the Group's business, operating results and financial condition could be materially adversely affected. The Group may experience difficulty in managing regional operations as a result of distance as well as cultural differences, and there can be no assurance that the Group or its partners will be able to successfully market its services in foreign markets.

The Group also believes that in light of substantial anticipated competition, it may be necessary to move quickly into regional markets in order to effectively obtain market share, and there can be no assurance that the Group will be able to do so. In addition to the uncertainty as to the Group's ability to continue to generate revenues from its foreign operations and expand its regional presence, there are certain risks inherent in doing business on a regional level, such as unexpected changes in regulatory and ownership requirements, trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, restrictions in the repatriations of profits and funds, political instability, exchange controls, fluctuations in currency exchange rates, seasonal reductions in business activity in certain other parts of the world and potentially adverse tax consequences. There can be no assurance that one or more of such factors will not have a material adverse effect on the Group's future regional operations and, consequently, on the Group's business, operating results and financial condition.

4.6 Dependence on Key Personnel

The Group's performance is dependent to a certain extent on the continued services and on the performance of its management and key personnel. The Group's performance also depends on its ability to retain and motivate its other officers and key employees. The loss of the services of any of its executive officers or other key employees could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's future success also depends on its ability to identify, attract, hire, train, retain and motivate other highly skilled technical, managerial, marketing and customer service personnel. Competition for such personnel is intense, and there can be no assurance that the Group will be able to successfully attract, integrate or retain sufficiently qualified personnel. In particular, the Group has encountered difficulties in attracting a sufficient number of qualified software developers for its websites and recruitment management systems. There can be no assurance that the Group will be able to retain and attract such developers. The failure to retain and attract the necessary personnel could have a material adverse effect on the Group's business, results of operations and financial condition.

4.7 Protection of Intellectual Property Rights

The Group's success to a certain extent depends on the Group's ability to secure protection of its intellectual property rights, as detailed in Section 5.8 of this Prospectus. The failure of the Group to adequately protect its intellectual property rights from any unauthorised reproduction or misappropriation of its proprietary software or systems by a third party could potentially have an adverse effect on the revenues of the Group. Furthermore, the validity, enforceability and scope of protection of intellectual property in Internet-related industries are uncertain and may yet evolve in the future. In addition, there can be no certainty on the laws governing the other countries in which the Group may market its services in the future, and to this extent, may afford little or no effective protection of the Group's intellectual property. Although steps have been taken by the Group to enforce its intellectual property rights and to deter future unauthorised reproduction or misappropriation of its proprietary software or systems, the Group may still encounter some form of intellectual property rights infringements. As a counter measure and to deter others from persistently infringing its property rights, the Group may seek legal actions against the offenders. Such legal actions, if taken up, could be burdensome and expensive and may entail a high degree of risk.

4.8 Risk of System Failures

The Group's success, and in particular its ability to effectively serve a high volume of users of its online services, depends on the efficient and uninterrupted operation of its computer and communications hardware systems which are located at the various offices of the Group. These systems and operations are vulnerable to damage or interruption from natural disasters, power and telecommunication failures, human negligence, fire, flood, water damage, theft, sabotage, vandalism and similar events. Any damage to or failure of the systems of the Group could result in the interruption or unavailability of its services, and, if sustained or repeated, could reduce the attractiveness of the Group's services to job advertisers and jobseekers. Although the Group has implemented certain network security measures, its servers are also vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions, service delays or loss of users data. Although the Group works to prevent unauthorized access to the Group's data, it is impossible to eliminate this risk completely. The occurrence of any and all of these events could have a material adverse effect on the Group's business, operations and financial condition.

4.9 Insurance Coverage

One of the most prized assets of the Group is its database of employers and jobseekers record, which it has compiled over the years. The database is currently stored on servers in a secure environment located in Malaysia. The loss of these servers, which carries the database through virus attacks, human negligence, fire, flood, water damage, theft, sabotage, vandalism, riot, war or any natural disaster could disrupt the services of the Group and thus adversely affect the performance and ultimately the financial condition of the Group. As most of these risks are impossible to predict or prevent, the Group has taken precautionary measures such as to create backup copies of the database on a predetermined schedule. The Group further aims to reduce the risks by purchasing insurance cover on assets which are critical to its operations. Although the management is of the view that the Group's insurance coverage is sufficient at this stage, there can be no assurance that its estimation is correct or that it will be successful in fully recovering its insured assets in the wake of any disaster.

4.10 Rapid Technological Change

The market in which the Group competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and ever-changing user demands. These market characteristics are exacerbated by the emerging nature of the Internet and growth in the number of its users. Accordingly, the Group's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its services to evolving industry standards and to continually improve the performance, features and reliability of its service in response to competitive service and product offerings and evolving demands of the marketplace. The failure of the Group to adapt to such changes would have a material adverse effect on the Group's business, results of operations and financial condition. In addition, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require substantial expenditures by the Group to modify or adapt its services or infrastructure, which could have a material adverse effect on the Group's business, results of operations and financial condition.

4.11 Competition

The market for job recruitment services over the Internet is relatively new, rapidly evolving and intensely competitive, and the Group expects competition to intensify further in the future. Barriers to entry are low, and current and new competitors can launch new sites at relatively low cost using commercially available software. The Group currently or potentially competes with a number of other companies, including initiatives launched by governments.

Competitive pressures created by any one of these companies, or by the Group's competitors collectively, could have a material adverse effect on the Group's business, results of operations and financial condition. The Group believes that the principal competitive factors in its markets are brand recognition, ease of use, comprehensiveness, quality and responsiveness of job search results, recruitment management system reliability, the availability of targeted content and focused value added products and services, quality and brand appeal, access to jobseekers, and, with respect to advertisers and employers, the number of jobseekers, duration and frequency of visits and user demographics.

Certain of the Group's current and potential competitors may have a more global presence, larger customer bases and greater brand recognition in other business and Internet markets and significantly greater financial, marketing, technical and other resources than the Group. Therefore, certain of the Group's competitors with other revenue sources may be able to devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing policies and devote substantially more resources to website and systems development than the Group or may try to attract traffic by offering services for free. Increased competition may result in reduced operating margins, loss of market share and diminished value in the Group's brand. There can be no assurance that the Group will be able to compete successfully against current and future competitors. Further, as a strategic response to changes in the competitive environment, the Company may, from time to time, make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on its business, results of operations and financial condition. New technologies and the expansion of existing technologies may increase the competitive pressures on the Group by enabling the Group's competitors to offer a lower-cost service. Any and all of these events could have a material adverse effect on the Company's business, results of operations and financial condition.

4.12 Reliance on Advertising Revenue

The Group derives a significant portion of its revenue from the sale of job advertisements on its websites. Its ability to generate significant job advertising revenues will depend upon, among other things, the employers' and jobseekers' acceptance of the Internet as an effective and sustainable medium to achieve their objectives, and the ability of the Group to continue to develop and update effective recruitment management and matching systems. There can be no assurance that the fees charged for a typical job advertisement will not decrease as a result of intense competitive pressure, or that the employers and jobseekers alike will continue to use the Internet as a medium to satisfy their recruitment and job hunting objectives respectively. Any and all of these events could have a material adverse effect on the Company's business, results of operations and financial condition.

4.13 Changes in Political, Economic and Social Conditions

There can be no assurance that the Group will not be materially affected by adverse developments in the general world economic, social and political conditions in Malaysia and those other countries in which it is operating. Any adverse developments in the economic, social and political conditions such as risks of war, nullification of existing contracts and agreements, freedom of Internet access, interest rates, taxations and foreign currency exchange pressures may materially affect the performance of the Group.

4.14 Concentration of Equity Ownership

Upon completion of this IPO, the Promoters will in aggregate own 59.46% of the issued and paid-up share capital of the Company. As a result, these shareholders, acting together, will possess voting control over the Company, giving them the ability, among others, to elect at least a majority of the Company's Board of Directors and to control the vote on significant corporate transactions. Such control could delay, defer or prevent a change in control of the Group, impede a merger, consolidation, take-over or other business combination involving the Group or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Group.

The management of the Company will have broad discretion in the use of proceeds. In the past, the Group has been substantially dependent upon funding provided by existing investors in the Group. The Group believes that all of such transactions have been on arms-length terms. The Group does not currently anticipate any additional financing transactions. In addition, the Group has appointed two independent directors as a step towards good corporate governance to ensure that any future transactions involving related parties, if any, are entered into at arms-length terms.

4.15 Regulatory Risks

Currently, save for the other general company and contract laws of the respective countries in which the Group operates, the core business activities of the Group are not subject to any specific legislation or regulations. There can be no assurance that future legislative or regulatory policy changes in any one of the countries in which the Group operates will not affect the operations of the Group.

4.16 Change in or Loss of the MSC Status

The Company and its core subsidiary company, JM, have both been awarded the MSC-status and as a result, will benefit from the financial and non-financial incentives that include tax exemptions on income derived from MSC-related activities commencing from the date when it starts generating income for 5 years (renewable to 10 years), duty-free imports on multimedia equipment provided that it is used for its operation of its business, R&D grants and others. These benefits will expire along with the MSC status on 27 May 2009 for JM and 20 February 2009 for the Company.

Although the pioneer status can be renewed on application by the Company on or before its expiry date on 20 February 2009 for a further period of five years, approval is at the discretion of the Ministry of International Trade and Industry with the concurrence of the Ministry of Finance, and there can be no assurance that such approval will be obtained. In the event that such approval is not obtained or upon expiry of the pioneer status, the Company and JM shall be liable to pay statutory income tax.

Furthermore, whilst it is usual for the MSC status to be conferred so long as the holder complies with the conditions for the MSC status imposed by MDC, MDC has the right to revoke or withdraw the status at any time at its discretion. Although the Group believes that it has and will continue to be able to fulfil the conditions for the status, there can be no assurance that it will continue to retain its MSC status and continue to enjoy all the current benefits accorded to it.

4.17 Legal Uncertainties

Whilst the Group has measures to protect its own intellectual property rights, the Group cannot be certain that its services, developed system and content do not or will not infringe valid patents, copyrights or other intellectual property rights held by third parties. The Group expects that infringement claims in the Internet market will increase in number as more and more participants enter the market. Although presently none, the Group may possibly be subject to legal proceedings and claims in the future relating to alleged infringement of intellectual property of others in the ordinary course of business. As such, the Group may incur substantial expenses in defending against these third party infringement claims, regardless of their merits.

The Group may also be sued for defamation, civil rights infringement, negligence, copyright or trademark infringement, personal injury, passing off service liability or other legal claims relating to the information that is published or made available on *JobStreet.com* and the other sites linked to it. These types of claims have been brought, sometimes successful, against online services in the past. The Group could also be sued for the content that is accessible from *JobStreet.com* and through links to other Internet sites or through content and materials that may be posted by members in bulletin boards. The Group's insurance does not specifically provide for coverage of these claims and as such, the Group could incur significant costs in investigating and defending against such claims, even if it is not liable. If any of these events occur, the Group's financial performance could be materially adversely affected.

4.18 Internet as a Recruitment Medium

The success of the Group's business hinges to a certain extent on the use and acceptance of the Internet as an alternative recruitment medium for the population en masse. Currently, there are various ways in which corporations can use to reach its targeted audience, with the newspapers traditionally being one of the most common and popular. JobStreet Group is dependent on, among others, the functionality, reach and penetration of the Internet technology and the low cost of exchanging information on the Internet to attract both employers and jobseekers away from the traditional recruiting methods. Although presently popular, there can be no assurance that the use of the Internet as a recruitment medium will continue growing or that persistent traffic congestion, technical glitches, network failures or security issues will not happen to deter the prospective employers and jobseekers from using the services of the Group.

4.19 Uncertainties in the 5-Year Business Development Plan

The Group's proposed future plans and prospects will be dependent upon, amongst others, its ability to maintain its edge over competitors in the online recruitment service industry, expand its range of services, enter into or maintain its existing joint-venture and/or licensing agreements with partners in new geographic markets to expand its network and diversify its revenue base, acquire technology companies and companies with complementary businesses, hire and retain skilled management and technical personnel, and obtain the necessary financing as and when it is required. Although the Group feels that it has enough of the expertise and experience to carry out the development of its business according to what has been planned, there can be no assurance that the Group will carry out its strategies successfully or that unanticipated circumstances will not occur which would result in material deviations from the Company's 5-year business development plan.

4.20 Risks Associated with Brand Development

Despite its historical organic growth, the Group believes that continuing to strengthen its brand is critical to achieving widespread acceptance of JobStreet, particularly in light of the competitive nature of the Group's market. Promoting and positioning its brand will depend largely on the success of the Group's marketing efforts and the ability of the Group to provide high quality and efficient recruitment services. In order to promote its brand, the Group will need to increase its marketing budget or otherwise increase its financial commitment to creating and maintaining brand loyalty among recruiters and jobseekers. There can be no assurance that brand promotion activities will yield increased revenues or that any such revenues would offset the expenses incurred by the Group in building its brand. Further, there can be no assurance that any new employer or jobseekers attracted to JobStreet will use its website or services on a regular basis. If the Group fails to promote and maintain its brand or incurs substantial expenses in an attempt to promote and maintain its brand or if the Group's existing or future strategic relationships fail to promote the Group's brand or increase brand awareness, the Group's business, results of operations and financial condition would be materially adversely affected.

4.21 Volatility of Share Price

As there has been no prior public market for the Company's Shares, there can be no assurance that an active public market will be developed or be sustained after this IPO or that the market price of the Shares will not decline below the IPO Price. The trading price of the Shares is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Group's quarterly operating results, announcements of technological innovations, or new services by the Group or its competitors, changes in financial estimates by securities analysts, conditions or trends in the Internet and online recruitment service industries, changes in the market valuations of other Internet and online recruitment service companies, announcements by the Group or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments, additions or departures of key personnel, sales of the Company's Shares or other such securities in the public market and other events or factors, many of which are beyond the Group's control. Further, the stock markets in general, and in particular the MESDAQ Market and the market for Internet-related and technology companies, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. Market fluctuations, as well as general political and economic conditions such as recession or interest rate or currency rate fluctuations, may also adversely affect the market price of the shares.

4.22 Shares Eligible for Future Sale

Sales of substantial amounts of the Company's Shares (including Shares issued upon the exercise of the ESOS options) in the public market after this offering could adversely affect the market price of the Shares. In addition to the 18,000,000 Shares offered hereby, 83,505,000 Shares held by Promoters and other shareholders of JobStreet which are not subject to the moratorium condition will be eligible for immediate sale in the public market. Also, there will be outstanding options to purchase up to 20,100,000 Shares under the Company's ESOS. If these holders sell in the public market, such selling pressure could have a material adverse effect on the market price of the Company's Shares.

4.23 Disclosure regarding forward-looking statements

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by JobStreet, Directors or employees acting on the Group's behalf, that are not statements of historical fact, constitute "forward-looking statement". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", and "could" or similar words. These words are not the exclusive means of identifying forward-looking statements as all statements regarding the Group's expected financial position, business strategy, plans and prospects are also forward-looking statements. These forward-looking statements, including statements as to the Group's revenue and profitability, cost measures, planned strategy and any other matters discussed in this Prospectus regarding matters that are not historical facts are only forecast. Statements such as these involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

4.24 Failure or Delay in Listing

The success of the listing of the Company on the MESDAQ Market is also exposed to the risks that it may fail or be delayed due to, amongst others, placees and eligible directors and employees of the Group, and other persons and companies who have contributed to the success of the Group failing to take up the IPO Shares allocated to them, termination of the underwriting agreements, and failure of the Company to meet the public shareholding spread requirements of the MESDAQ Market. In the event of such failure, investors shall be reimbursed their application monies without interest.

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