

5 STRATEGIC BUSINESS OVERVIEW

5.1 History

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's subsidiary companies are the operators 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 reorganisation, 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.

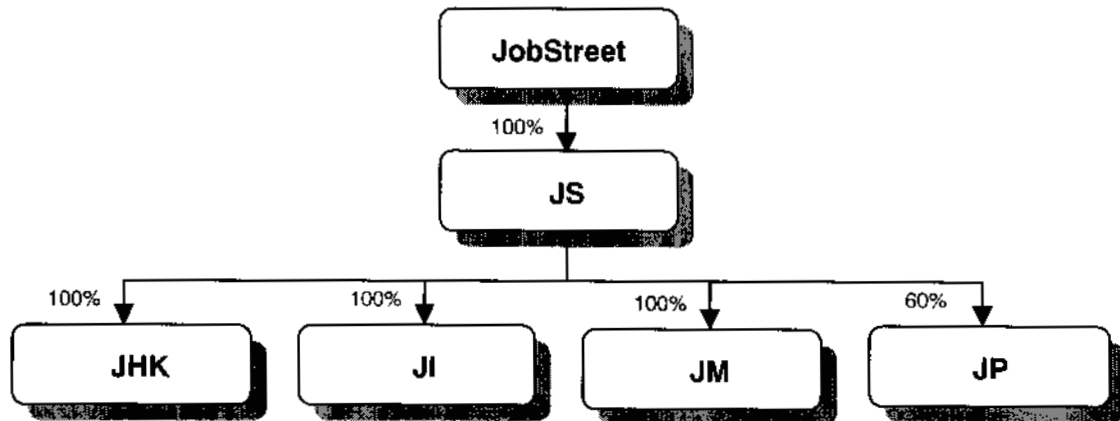
In early 2000, JS sold off its internet portal business to focus solely on the provision of online recruitment and related services to employers and jobseekers. The proceeds from the sale allowed for the continued expansion abroad and in mid-2001, JS received their second round of funding of approximately 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 mainly 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
<i>Subsidiary companies of JS</i>					
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

5.2 Share Capital and Changes

JobStreet presently has an authorised share capital of RM50,000,000 divided into 500,000,000 Shares. The present issued and paid-up share capital of the Company is RM18,300,000 comprising 183,000,000 Shares. Upon completion of the IPO, the enlarged issued and paid-up share capital of the Company will be RM20,100,000 comprising 201,000,000 Shares.

The changes in the issued and paid-up share capital of the Company since its incorporation are as follows:-

Date of Allotment	No. of ordinary shares	Par value (RM)	Consideration	Cumulative Total (RM)
06/02/2004	2	1.00	Cash	2
30/09/2004	18,299,998	1.00	Non-cash (a)	18,300,000
01/10/2004	183,000,000	0.10	Sub-division of shares of RM1.00 each into shares of RM0.10 each	18,300,000

Notes:-

(a) In consideration for the Acquisition of JS.

5.3 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:-

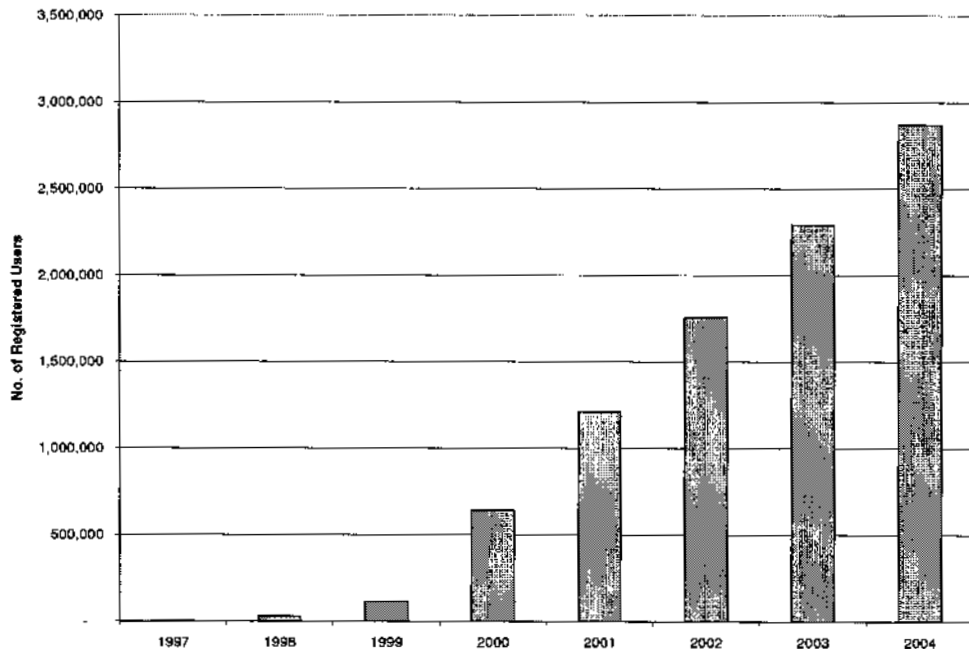
(a) JobStreet ESSENTIAL

This is the core service offered by JobStreet as an online recruitment solution. It consists of the following:-

Job Posting

JobStreet operates an exchange that facilitates a two-way exchange of information between employers (job postings and descriptions) and jobseekers (applications and resumes). Since the Group commenced business in 1997, over 15,000 employers and 2.8 million registered jobseekers have participated in the exchange facilitating over 1 million actual job applications a month currently.

Based on the Group's record, the growth in the size of JobStreet's user database since its commencement in 1997 is illustrated in the following chart:-



Jobseekers who visit www.jobstreet.com can search the website for suitable openings. In addition, they are invited to register their job preferences and resume details in their personal MyJobStreet career management account. Once registered, registrants will have the benefit of LiNA, a personal job-tracking virtual agent. As soon as an employer posts a job description that matches the registrant's preferences, the registrant is notified by email of the position. If the position is of interest to the registrant, she will have the ability to apply for the job and submit her resume online.

SIVA – Recruitment management system

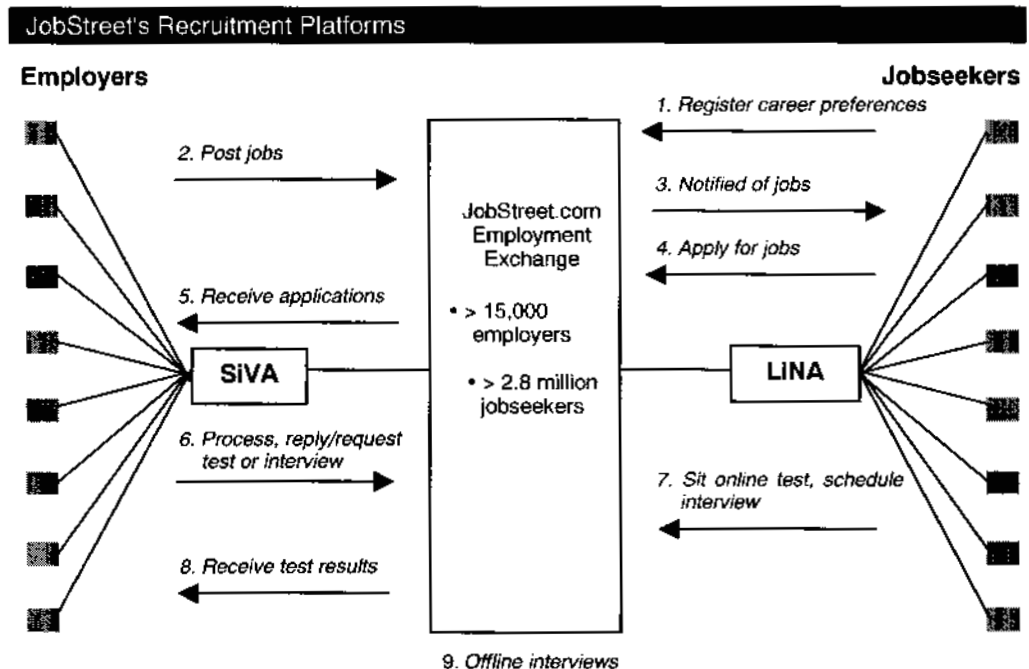
JobStreet has developed a proprietary browser-based web applicant tracking and resume management application that speeds the processing aspect of recruitment dramatically. Based on an ASP-model, this recruitment management system, called SIVA, which sits on JobStreet's servers, is available to JobStreet's customers comprising potential employers who will be assigned with a unique password and user identification to access the system over the Internet.

Employers can use SiVA to:-

- Post online job postings on *www.jobstreet.com*;
- Set and conduct online tests;
- Receive applications and resumes from applicants in an actionable format;
- Filter candidates using user-defined criteria;
- Append notes and comments on resumes;
- Search for authenticated applicants;
- Schedule interviews; and
- Send personalized e-mail to candidates (e.g. acknowledgement letter, rejection letters) with one master email.

Collaboration functionality allows multiple users within the employer's organisation to share recruitment efforts through SiVA including HR departments, administrators and hiring managers, each of whom is able to access different levels of information relevant to their involvement in the recruitment process. SiVA also integrates candidate online test results (see below) and various recruitment statistical reports.

A graphical illustration of how LiNA and SiVA works in bringing together employers and jobseekers is as follows:-



1. Jobseekers register their career preferences with MyJobStreet. This enables access to a job-tracking and notification service (LiNA), an application tracking facility and a resume repository.
2. Employers post their job positions and descriptions at the JobStreet website paying fees on a per position basis (annual contracts for large volume accounts). Pre-registered employers can post their job positions directly through SiVA, an application tracking and resume management software, or via e-mail.
3. LiNA searches for matches between the jobs posted by employers and the career preferences of jobseekers. If a match is found, the relevant jobseeker is alerted.
4. The jobseeker receives regular emails on jobs that match her preferences. If she is interested in a particular position, she will instruct LiNA to send her resume to the relevant employer. Jobseekers are able to monitor the status of their job applications e.g. whether they are shortlisted or under consideration, the number of candidates applying for the position etc.
5. The employer receives the jobseeker's application via SiVA in a tabulated actionable format. Candidates receive automatic acknowledgements.

6. The employer filters applications through certain chosen parameters (e.g. years of work experience, qualifications, expected salary, etc) and shortlists candidates. One master email ensures all categories of candidates (reject, interview, still under consideration) are contacted. Candidates can be asked to sit for an online test (optional).
7. Candidate agrees to request for an interview and sits for an online test if required.
8. Employer receives online test results.
9. Employer conducts offline interviews. Interview notes can be appended to the candidate's resume in SiVA. Decisions are made. Once filled, employer closes positions on SiVA and all candidates are notified.

Free Jobseeker Services

Jobseekers registered with JobStreet enjoy a large number of free services which facilitate their job hunting efforts as well as career management. Services which are provided for free include:

- Access to job listings and search capability
- E-mail notification of jobs that match preferences/skills with registration
- Confidential resume repository
- Online application facility with application tracking and history
- Resume search with jobseeker authorisation
- Career development resources
- User events to promote industry knowledge and networking
- "Opt-in" access to promotions from JobStreet DIRECT clients

Premium Jobseeker Services

Due to the unique requirements of each jobseeker, there exists a market for JobStreet to introduce fee-based premium user services targeted at specific users which have high priority or specialised job hunting or information requirements. Given that an ideal job match is very important to most individuals, the Group believes that active jobseekers are willing to pay a small subscription fee for these additional services. Moreover, jobseekers spend about the same amount of money to purchase newspapers, stationery and postage for their offline job applications.

JobStreet Group has launched the following premium jobseeker services:-

Product	Description
JobStreet Priority Application	For a small nominal fee, the jobseeker is marketed to employers as a serious candidate. The jobseeker's resume is highlighted to the employer as a priority applicant and will appear at the top of the employers' list of applicants in SiVA. Jobseekers registering for this service will be allowed to apply for a fixed number of jobs as a priority applicant over a period of time.
Jobstreet SMS	JobStreet SMS delivers job alerts to the jobseeker's mobile telephone. In addition, the jobseeker will be alerted when an employer has shortlisted him or requests for an interview.
JobStreet Resume CRUISER	Launched in India, JobStreet Resume CRUISER allows jobseekers to email their resumes to placement consultants across India or depending on the selected package, to placement agents in a specific region of India.
JobStreet Resume WIZARD / REVIEW	JobStreet Resume WIZARD / REVIEW is a service which provides the jobseeker a rewritten resume that highlights his/her strengths, accomplishments and potential.

JobStreet envisages that more premium services can be introduced to jobseekers in the future such as career match analysis, training needs analysis, salary report and career development content.

(b) JobStreet SELECT

The Group believes that JobStreet's development as a job portal offers an advantage over non-Internet based recruiters, i.e. immediate online access to the 2.8 million strong and growing database of candidates. Whilst conventional recruiters have access to clients, access to a database of candidates is a much more difficult proposition for them. The Group, on the other hand, has access to not only clients but also a large database of user accounts.

JobStreet SELECT is able to reach a large pool of users, and through JobStreet's recruitment management system, shorten the process of identifying the suitable candidates faster than conventional recruiters. JobStreet offers this service on a contingency fee basis, which is based on a certain margin on the gross annual salary of the successful candidate.

(c) JobStreet IMPACT

JobStreet also offers a career website management service where companies can license career website and candidate database management services from JobStreet instead of setting up and maintaining their career website themselves. Upon licensing these, HR personnel can post job postings on their own corporate website directly without involving web designers. HR personnel will also have the benefit of SiVA where they can screen and process candidates efficiently.

The advantages of the JobStreet IMPACT product are as follows:

- Powers the recruitment section of corporate websites by allowing clients to post their jobs on their own recruitment page instantaneously
- Track applications that come through their corporate website
- Have their own segregated database of resumes and applicants, hosted by JobStreet
- Filter, search, shortlist candidates according to customer defined criteria
- Set and conduct online tests for candidates instantaneously
- Manage relationships with candidates through various candidate contact tools

The attractiveness of JobStreet IMPACT is that a portion of the revenue from this service is recurring. Customers are charged a set-up fee as well as an annual maintenance fee. The maintenance fee portion is recurring as long as JobStreet continues to host the client's career site.

(d) JobStreet RESOURCE

JobStreet has also undertaken engagements to provide employees on a contract basis to customers who require short term human resources. Given JobStreet's ability to leverage off on its database, it can offer quality staff on short notice. There is an opportunity for the Group to expand this business further given the desire by most companies to develop a more flexible workforce structure and focus on core competencies.

JobStreet offers these outsourced staffing services at a small margin over the cost of the contract staff. JobStreet's arrangements with contract staff are on a "back-to-back" basis so that when a customer's work requirements terminate, JobStreet's relationship with the contract staff also expires.

(e) JobStreet CAMPUS

Many companies have an objective of promoting their company and brand to fresh graduates. JobStreet CAMPUS allows companies which subscribe to the service on an annual basis to mine a database of fresh graduate candidates. Further, the companies subscribing to the JobStreet CAMPUS service are allowed to leverage on JobStreet's presence when JobStreet visits universities or attends education and career fairs.

(f) JobStreet DIRECT

The Group's database contains valuable demographic information which form the foundation for a successful targeted marketing campaign. Leveraging on this database, JobStreet is able to provide targeted direct marketing services to companies with products and services which are relevant to the database of jobseekers such as credit cards, travel packages, computer and IT peripherals, insurance policies, financial service products, food promotions and residential properties. Offers such as this are promoted through the website's email-based job notification system, banner advertising and stand-alone e-mails on a "opt-in" permission basis.

Using innovative matching technology, JobStreet will ensure that the customers' products and services are marketed to the database members who match the criteria of the targeted segment stipulated by its customers. By targeting only those who will likely respond, the customer can reduce its marketing costs while increasing the prospects of generating genuine sales leads.

Recognizing the importance of maintaining the privacy of the users in the database, certain campaigns such as standalone email marketing will be forwarded to users based on a strict opt-in basis only. In addition, JobStreet plans to develop an auto traffic control system to monitor and limit the number of promotional emails that each opt-in user receives in a specific timeframe. The management will also ensure that the confidential profiles of the jobseekers are not provided to third parties.

(g) JobStreet LEARNING

JobStreet has identified a market for the provision of online advertising and marketing services specially designed for training and education service providers. Launched in Malaysia in 2003, this service allows colleges, universities, external trainers and event organizers to advertise their training courses and education programs on JobStreet's website to a targeted audience of users who may be interested to acquire new skills and knowledge to increase their chances of securing a better job. The courses and programs advertised may consist of both academic and non-academic courses. Apart from the above, JobStreet also organises various training courses by partnering with training companies and individual trainers on a revenue sharing basis.

(h) JobStreet SALARY REPORT

JobStreet SALARY REPORT is based on a survey covering more than 150,000 professionals in Malaysia and Philippines. The report provides information for employers to create or improve salary guidelines in their companies and determine the appropriate salary scale for their employees. This tool compares the salaries of people based on criterias such as industry, position level and region.

The markets that JobStreet operates in, namely Malaysia, Singapore, India and Philippines, have different characteristics and market dynamics. Such differences may be in terms of demand and supply factors, consumer preferences, labour market factors, infrastructure, Internet penetration, social factors and others. As such, one strategy which works in one market may not necessarily work in another market. This is reflected in the Group's product strategy where JobStreet will launch a product or service in a market only where the product or service is in demand. The Group may also, depending on the timing and resources available to it, test employment markets in other countries and then roll-out its services if the response is good.

The markets where the Group has launched each of its products and services are as follows:-

	Malaysia	Singapore	Philippines	India
JobStreet ESSENTIAL	✓	✓	✓	✓
JobStreet Priority Application	✓	✓	✓	✓
JobStreet SMS	✓	✓	✓	✓
JobStreet Resume CRUISER				✓
JobStreet Resume WIZARD / REVIEW	✓	✓	✓	✓
JobStreet SELECT	✓	✓		✓
JobStreet IMPACT	✓	✓	✓	✓
JobStreet RESOURCE	✓			✓
JobStreet CAMPUS	✓	✓	✓	✓
JobStreet DIRECT	✓	✓	✓	✓
JobStreet LEARNING	✓	✓	✓	
JobStreet SALARY REPORT	✓		✓	

5.4 Key Success Factors

The key success factors that have contributed to the success of JobStreet Group are as follows:-

5.4.1 Technology

The Group leverages to a large extent on the Internet technology to provide to both employers and jobseekers a compelling solution for their recruitment needs. This solution is offered to its customers at a lower cost than the traditional method of recruitment helping companies to reduce their recruitment expense. Employers and jobseekers registered with JobStreet can take advantage of the website's accessibility, functionality and wealth in resources to enhance their job-matching experience, which has been made easier with LiNA and SiVA. Employers using the services of JobStreet can enjoy the following:-

- *Exposure to a large pool of candidates* – Job postings with JobStreet are matched to the career preferences of more than 2.8 million user accounts in JobStreet's database.
- *Relevant applicants* – JobStreet's sophisticated matching algorithms assist employers to recruit suitable candidates.
- *Reduction in application processing time* – SiVA allows customers to reduce processing times by providing tools to manage the recruitment process. SiVA tracks employer advertisements, organizes applications, provides applicant tracking and filtering tools, enables collaboration between different recruitment decision makers and schedules interviews with selected candidates with one master email.
- *Shorter recruitment cycle* – With JobStreet's large database of jobseekers and job alert and resume management systems, employers are able to fill vacant positions quickly.
- *Candidate evaluation* – SiVA uses user-definable measurement criteria to rank candidates while employers can perform additional online tests to facilitate assessment.
- *Access to cross border candidates* – Employers can reach cross border candidates without engaging local search firms or taking out recruitment advertisements in local newspapers. Access to overseas candidates including graduating students returning to the employer's location is also a popular application.

JobStreet also offers jobseekers the following benefits:-

- *Access to a large number of jobs, locally and regionally* – JobStreet provides user-friendly access to thousands of positions a month for its registered jobseekers.
- *Job matching and tracking service* – Upon registration of career preferences, JobStreet tracks jobs from its website on the jobseeker's behalf.
- *Immediate notification* – As soon as a job match is made, the candidate receives an e-mail alert of the job opening.
- *Instantaneous applications* – Once a jobseeker deposits her resume and applies online, employers receive their applications immediately. No stationery and postage are required.
- *Control* – Jobseekers have the ability to determine when they want to know about jobs, what type of jobs they want to hear about, how much confidentiality they want and how often they want to be contacted.
- *Ease of use* – Jobseekers will be guided to enter their particulars in a systematic and structured manner resulting in simple and concise resumes and job applications.
- *Privacy* – JobStreet is certified by TRUSTe and ensures the privacy of information submitted by jobseekers. Employers do not have access to jobseekers' resumes unless authorized by the jobseeker.
- *Career resources* – JobStreet provides jobseekers with content helpful to their job search efforts and career development.
- *Premium services* – The Group also provides other value-added services for a fee which is taken up by a sub-section of its jobseeker database with specialized needs.

5.4.2 First Mover Advantage

JobStreet Group was among the first in Malaysia to offer a modern and convenient recruitment services to employers and jobseekers alike, via the Internet. This has helped the Group secure a competitive advantage in terms of building up the *JobStreet* brandname and more importantly the database of jobseekers for the critical use of employers in the market. The head start also allowed the management team in JobStreet Group to gain valuable experience and expertise in understanding the recruitment markets, which they have used to foster ties with partners and customers.

5.4.3 Innovation

Recognizing the importance of innovation, the Group has continually sought to enhance its products and services and to develop and introduce new products to the market. R&D has always remained one of the top priorities of the Group and by relying on its internal R&D, the Group has managed to introduce an average of 2 new products/services each year to the market over the past three years.

5.4.4 Clientele Base

The Group has steadily built its reputation over the years, by serving to some of the largest multi-national corporations on their human capital needs. Some of these companies have been engaging the services of JobStreet Group since 1999 and have continued to do so every year since. This in itself is a testimony to the success of JobStreet's business operations.

5.5 Major Licences, Certificates & Approvals

The Group is currently operating under the following licenses:-

Licensor	Date of License	Term (years)	Nature of license
Mark Chang *	05/08/2004	1	Operation of an employment agency in Singapore
JM	01/03/2004	1	Operation of a private employment agency in Malaysia

* *Mark Chang holds the license to facilitate JS's activities as an employment agency. This commonly available license is held in his personal capacity in compliance with the requirements in Singapore. Should the need arise, the Group will appoint another person to apply for the same license to continue with its employment agency activities in Singapore.*

5.6 Strategic Partners

The Group has entered into strategic partnerships with other online recruitment companies from other markets with a view of expanding its recruitment network. The objectives of such strategic alliances is to extend the Group's reach in a cost-effective manner and attract as many jobseekers as possible to register their career preferences and resumes with JobStreet. The targeted partners are leading jobsites in other significant markets, professional bodies and education sites.

The Group's current strategic partners are:-

(i) SEEK Limited ("SEEK")

On 20 November 2001, JobStreet Group entered into a Cross Border Posting Agreement with SEEK. Under the partnership, JobStreet Group and SEEK will place jobs onto each other's websites and cross-sell job postings to their respective clients in Malaysia, Singapore, India, the Philippines, Australia and New Zealand. The agreement is for a term of one (1) year and shall renew automatically for successive one-year periods unless terminated by either party. SEEK or Seek.com.au is one of Australia's and New Zealand's leading Internet employment site.

(ii) Careerbuilder, LLC ("CareerBuilder.com")

On 19 June 2003, JobStreet Group entered into a Mutual Wholesaler Agreement with CareerBuilder.com. Under the partnership, JobStreet Group and CareerBuilder.com will place jobs onto each other's websites and cross-sell job postings to their respective clients in Malaysia, Singapore, India, the Philippines and the United States. The agreement is for a term of six (6) months and shall renew automatically for successive terms of six (6) months each unless terminated by either party. CareerBuilder.com is an online recruitment company in the United States which operates one of the largest job websites in North America.

5.7 Research and Development

JobStreet Group, via its flagship company, JM, has set up an R&D centre in Cyberjaya, Malaysia to fulfil one of its requirements as an MSC status company. The developers in the R&D centre are responsible for carrying out work under an MGS grant approved on 1 July 2003. The approved project under the grant is projected to cost approximately RM2,350,000 with the MGS grant reimbursing JM 70% of the project cost.

The R&D is undertaken with the primary objectives of improving its customers' recruitment processes, development of new services, facilitating internal process efficiency and overall enhancement of service quality and speed. Updates on the SiVA software or other applications will be made transparent to the customers and users, who will immediately benefit from the enhancements when accessing the services over the Internet from the Group's centralized servers in Cyberjaya and Singapore.

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 and the technology operation teams in JM also service its affiliate companies in Singapore, India and Philippines.

The R&D team supports customisation requirements for JobStreet IMPACT customers and is also 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 consist 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.

The amount spent by the Group on R&D for the past three (3) financial years are as follows:-

Year Ended	Amount (RM)	% of turnover
31 December 2001	880,847	8.9
31 December 2002	831,783	6.7
31 December 2003	1,081,130	5.4

5.8 Intellectual Property, Proprietary Rights, Licenses, Brand Names and Trademarks

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
CRM – 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.

5.9 Infrastructure

The Group's infrastructure is based on a distributed architecture where servers are organized into groups of servers that together provide a particular set of services. There are groups of servers that run the applications for jobseekers – MyJobStreet, LiNa, Job Search, and other groups of servers running SIVA application for customers in different regions. The servers are located in two main data centers in Cyberjaya and in Singapore with a master database of jobseekers and their applications in Cyberjaya.

The distributed architecture provides for better performance by separating the workload to many servers. Separate servers providing a certain set of functionality can also be located geographically closer to customers that are using that service for faster access. The architecture allows for the addition of more servers or replacement of servers as needed for the growth of JobStreet's business.

As part of the technical operation, a 24x7 monitoring system continuously monitors the Group's servers and will alert the Group's technical operations staff of any issues. In the Group's history, it has not experienced any sustained business interruptions that have materially impacted its operations.

5.10 Major Customers and Suppliers

Below outlines the top 10 major customers and suppliers of JobStreet based on its audited accounts for the year ended 31 December 2003. Due to the nature of its business, the Board of JobStreet believes that the Group is not dependent on any single major customer or supplier.

No.	Name of Customer	Length of Relationship (Years)	% of Total Turnover for the year ended 31/12/2003	% of Total Turnover for the 6-month period ended 30/06/2004
1.	Dell Asia Pacific Sdn.	7	7.06	10.58
2.	Maxis Mobile Sdn Bhd	2	6.71	0.44
3.	HSBC Electronic Data Processing (Malaysia) Sdn Bhd	2	3.85	6.66
4.	IBM Malaysia Sdn Bhd	4	2.42	7.14
5.	Maxis Broadband Sdn Bhd	1	1.28	1.87
6.	Caltex Oil Malaysia Ltd	6	1.10	0.49
7.	ATRACC Sdn Bhd	3	0.72	0.70
8.	DiGi Telecommunications Sdn. Bhd.	5	0.63	0.41
9.	MRO-TEK Limited	4	0.63	0.25
10.	Southern Bank Berhad	3	0.62	0.87

No.	Name of Supplier	Length of Relationship (Years)	% of Total Purchases for the year ended 31/12/2003	% of Total Purchases for the 6-month period ended 30/06/2004
1.	Dell Asia Pacific Sdn.	4	6.88	4.21
2.	Amal Assurance Bhd	3	4.90	5.12
3.	Bukit Jambul Hotel Development Sdn Bhd	7	3.44	3.42
4.	Webvision Network Services Sdn Bhd	3	3.23	5.40
5.	Saint Andrew's Mission Hospital	2	3.10	3.10
6.	Upasana Advantage	1	3.09	1.49
7.	Telekom Malaysia Berhad	9	2.38	3.15
8.	Sapmate Solutions	3	2.30	2.61
9.	Robinsons Land Corporation	3	1.46	1.54
10.	Accos Sdn Bhd	4	1.43	2.23

5.11 Employees

As of 1 October 2004, the Group has 164 employees and 31 contract staff, none of whom are members of any union or labour organisation. There has not been any event of work stoppages since incorporation. The management has always enjoyed a cordial relationship with its employees. The following is a table setting out information on the categorical breakdown of the number of the Group's employees as at 1 October 2004:-

Category of employees	Employees		Contract Workers		Total Employees No.
	No.	Average Length of Service (Years)	No.	Average Duration of Contract (Months)	
Management	6	4	-	-	6
R&D	16	2	5	11	21
Technical / IT	8	5	-	-	8
Sales, Marketing & Communications	76	2	7	12	83
Search and Selection	13	1	17	10	30
Customer/ User Care	24	2	-	-	24
Business Development	6	2	-	-	6
Finance & Administration	15	3	2	3	17
Total	164		31		195

Emphasis has always been given by the Group on the training and education of its employees to constantly increase their knowledge of products and services offered by the Group. Training is normally conducted in-house and on an on-the-job basis. As and when appropriate, employees are sent to various courses and training on general areas such as customer service, sales, self-development as well as specialised areas such as employment law, recruitment and selection and others to enhance their skills and knowledge of the employment market.

5.12 Disruptions in Operations

Due to the nature of its business activities, the Group is heavily dependent on its computer systems and the information contained therein for maintaining the ability to do business. In addition, the Group's business activities require reliable third party infrastructure services such as leased lines, data center operations, electricity and telecommunications to support its operations. Any disruptions or compromise to any of these services may affect the Group's ability to conduct its business operations and place the Group's reputation and brandname at risk.

The Group is exposed to disaster risk in areas such as the following:-

- (i) Loss of the resume and candidate application data
- (ii) Loss of programs which are used to provide the services to JobStreet's customers
- (iii) Loss of programs and files which are used to capture resumes from new jobseekers
- (iv) Loss of HTML files and servers running JobStreet.com sites
- (v) Loss of the financial records generated and stored on computer systems

- (vi) Loss of Internet connectivity
- (vii) Loss of physical equipment which is used to host the services

The above may be caused by various sources of threats such as computer viruses, attempts in comprising the servers by hackers, power disruptions, hardware failure etc. The management of JobStreet believes that a loss in any of the above could be tolerated for a period of up to 48 hours without a material impact on the business.

To minimise the effects of a disaster, the Group has implemented a disaster recovery system which provides for the steps required to recover the Group's ability to do business after a data or equipment loss. The system also specifies daily procedures which must be adhered to in order to facilitate recovery procedures e.g. daily backup procedure. The objective of the disaster recovery system is to recover the lost services within 24 hours and in the case of a major loss, within 144 hours. Some specific recovery procedures include:-

- Restoration from backups of the most recent copy of the data available
- Replacement of storage devices
- Replacement of lost equipment
- Redirection of visitors to other mirror servers
- Relocation to alternative data centers, server space of other ISPs or third parties
- Performing daily backups to disk and weekly backups to tapes which are stored offsite

5.13 Subsidiary Companies

The information on subsidiary companies of JobStreet is as follows:-

5.13.1 JS

(a) History and Business Overview

JS was incorporated in Singapore on 17 July 1999 as a private limited company. Its principal activity is that of investment holding and the provision of online recruitment and related services focusing on the Singapore market. JS, which commenced operations in September 1999, operates from its office at 250, Tanjong Pagar Road, #11-01 St Andrew's Centre, Singapore 088541.

(b) Share Capital

The authorised and issued and paid-up capital of JS as at 1 October 2004 are as follows:-

	No. of Shares	Par value SGD	Amount SGD
Authorised	1,600,000 Redeemable Convertible Preference Shares Series A (RCPS-A)	0.01	16,000.00
	300,000 Redeemable Convertible Preference Shares Series B (RCPS-B)	0.01	3,000.00
	29,840,000 ordinary shares	0.10	2,984,000.00
Issued and paid-up	15,966,235 ordinary shares	0.10	1,596,623.50

Details of the changes in the issued and paid-up share capital of JS since its date of incorporation are as follows:-

Date of allotment	No. of shares allotted	Par Value (SGD)	Type	Cumulative Total (SGD)
Ordinary shares				
17.07.1999	4	1.00	Cash	4.00
25.07.1999	89,996	1.00	Non-cash	90,000.00
30.07.1999	900,000	0.10	Share split	90,000.00
29.06.2000	15,000	0.10	Non-Cash	91,500.00
21.09.2000	8,235,000	0.10	Bonus issue	915,000.00
02.04.2001	100,000	0.10	Cash	925,000.00
01.11.2002	30,000	0.10	Exercise of ESOS at SGD0.131 per share	928,000.00

Date of allotment	No. of shares allotted	Par Value (SGD)	Type	Cumulative Total (SGD)
10.02.2004	742,500	0.10	Exercise of ESOS at SGD0.131 per share	1,002,250.00
28.09.2004	1,311,975	0.10	Exercise of ESOS at SGD0.131 per share	1,133,447.50
28.09.2004	3,144,137	0.10	Conversion of RCPS-A	1,447,861.20
28.09.2004	1,487,623	0.10	Conversion of RCPS-B	1,596,623.50
RCPS-A				
30.07.1999	200,000	0.01	Cash	2,000
14.12.1999	200,000	0.01	Cash	4,000
05.04.2000	80,000	0.01	Cash	4,800
31.10.2001	40,000	0.01	Cash	5,200
14.11.2002	(208,000)	0.01	Cash redemption	3,120
28.09.2004	(312,000)	0.01	Conversion to ordinary shares	-
RCPS-B				
17.05.2001	108,244	0.01	Cash	1,082
03.07.2001	9,048	0.01	Cash	1,173
14.11.2002	(46,915)	0.01	Cash redemption	704
28.09.2004	(70,377)	0.01	Conversion to ordinary shares	-

(c) Substantial Shareholders

JS is a wholly owned subsidiary of JobStreet.

(d) Subsidiary and Associated Companies

Details of the subsidiary companies of JS are as follows:-

Subsidiaries	Date and Place of Incorporation	Total Issued & Paid-up Share Capital	Par Value	Principal Activities	Effective Interest (%)
JM	6/10/1997 Malaysia	RM100,000	RM 1	Provision of online recruitment and related services focusing on the Malaysia market	100.0
JI	16/02/2000 India	Rp 3,109,800	Rp 10	Provision of online recruitment and related services focusing on the India market	100.0
JHK	26/05/2000 Hong Kong	HKD 2	HKD 1	Dormant	100.0
JP	21/10/1999 Philippines	Pesos 14,114,000	Pesos 1	Provision of online recruitment and related services focusing on the Philippines market	60.0

JS does not have any associated companies. The financial information on JS and its subsidiary companies can be found in the Accountants' Report in Section 10 of this Prospectus. Further statutory information on its subsidiary companies are contained in the sections below.

(e) Employees

As at 1 October 2004, JS has 21 employees.

5.13.2 JM**(a) History and Business Overview**

JM was incorporated in Malaysia on 6 October 1997 under the Companies Act, 1965 as a private limited company under the name of Jobstreet Sdn Bhd. The company later changed its name to JobStreet.com Sdn Bhd on 9 September 1999. JM's principal activity is in the provision of online recruitment and related services focusing on the Malaysia market.

JM, which commenced operations in October 1997, operates from its offices located at Cyberjaya, Penang, Kuala Lumpur and Johor Bahru. The offices in Cyberjaya and Penang serve as the hosts for software development activities along with maintenance of the company's technology infrastructure while sales, customer care and finance operations are undertaken in the offices in Penang, Kuala Lumpur and Johor Bahru utilising internally developed Intranet applications linked via the Internet.

(b) Share Capital

The authorised and issued and paid-up capital of JM are as follows:-

	No. of shares	Par value (RM)	Amount (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	100,000	1.00	100,000

Details of the changes in the issued and paid-up share capital of JM since its date of incorporation are as follows:-

Date of allotment	No. of shares allotted	Par Value (RM)	Type	Total (RM)
06/10/1997	2	1.00	Cash	2
19/01/1998	99,998	1.00	Cash	100,000

(c) Substantial Shareholders

JM is a wholly owned subsidiary of JS.

(d) Subsidiary and Associated Companies

JM does not have any subsidiary and associated companies.

(e) Employees

As at 1 October 2004, JM has 109 employees.

5.13.3 JI

(a) History and Business Overview

JI was incorporated in India on 16 February 2000 as a private limited company. Its principal activity is that of providing online recruitment and related services, focusing on the India market. JI, which commenced operations in March 2000, operates from its offices located in Bangalore, Karnataka and Mumbai, Maharashtra in India.

(b) Share Capital

The authorised and issued and paid-up capital of JI are as follows:-

	No. of shares	Par value (Rp)	Amount (Rp)
Authorised	500,000	10	5,000,000
Issued and paid-up	310,980	10	3,109,800

Details of the changes in the issued and paid-up share capital of JI since its date of incorporation are as follows:-

Date of allotment	No. of shares allotted	Par Value (Rp)	Type	Total (Rp)
17.02.2000	20	10	Cash	200
06.12.2001	10,000	10	Cash	100,200
15.05.2002	300,960	10	Cash	3,109,800

(c) Substantial Shareholders

Jl is a wholly owned subsidiary of JS.

(d) Subsidiary and Associated Companies

Jl does not have any subsidiary or associated companies.

(e) Employees

As at 1 October 2004, Jl has 35 employees.

5.13.4 JP**(a) History and Business Overview**

JP was incorporated in Philippines on 21 October 1999 as a private limited company. Its principal activity is that of providing online recruitment and related services focusing on the Philippines market. JP, which commenced operations in October 1999, operates from its office in Makati City, Manila.

(b) Share Capital

The authorised and issued and paid-up capital of JP are as follows:-

	No. of shares	Par value (Pesos)	Amount (Pesos)
Authorised	14,114,000	1.00	14,114,000
Issued and paid-up	14,114,000	1.00	14,114,000

Details of the changes in the issued and paid-up share capital of JP since its date of incorporation are as follows:-

Date of allotment	No. of shares allotted	Par Value (Pesos)	Type	Total (Pesos)
21/10/1999	8,114,000	1.00	Cash	8,114,000
04/06/2001	6,000,000	1.00	Cash	14,114,000

(c) Substantial Shareholders

The substantial shareholders of JP as at 30 June 2004 are as follows:-

Shareholders	No. of ordinary shares Direct	%
JS	8,468,397	60.0
Summit Internet Investment, Inc.	5,645,598	40.0

(d) Subsidiary and Associated Companies

JP does not have any subsidiary or associated companies.

(e) Employees

As at 1 October 2004, JP has 30 employees.

5.13.5 JHK**(a) History and Business Overview**

JHK was incorporated in Hong Kong on 26 May 2000 as a private limited company. It is currently dormant.

(b) Share Capital

The authorised and issued and paid-up capital of JHK are as follows:-

	No. of shares	Par value (HKD)	Amount (HKD)
Authorised	500,000	1.00	500,000
Issued and paid-up	2	1.00	2

Details of the changes in the issued and paid-up share capital of JHK since its date of incorporation are as follows:-

Date of allotment	No. of shares allotted	Par Value (HKD)	Type	Total (HKD)
26/05/2000	2	1.00	Cash	2.00

(c) Substantial Shareholders

JHK is a wholly owned subsidiary of JS.

(d) Subsidiary and Associated Companies

JHK does not have any subsidiary or associated companies.

(e) Employees

As at 1 October 2004, JHK does not have any employees.

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5.14 Industry Overview

5.14.1 The Global Economy

The growth momentum in the global economy in 2005 is expected to decelerate slightly as major economies tighten monetary policy to contain inflationary pressures. Concerns over the possibility of higher oil prices and the slowing down of China's economy are other factors that can dampen growth.

Notwithstanding these uncertainties, it is anticipated that the Federal Reserve of USA would pursue a measured approach in raising interest rates. As for oil price hikes, the effort of the Organisation of the Petroleum Exporting Countries to raise supply to 26 million barrels per day effective 1 August 2004, will help contain the price increases. Against this backdrop, growth in the US is expected moderate to 3.5% - 4% (2004: 4.5% - 4.7%), other emerging markets and developing economies are 5.9% (2004: 6%), while Japan is also expected to grow by 2.4% (2004: 4.5%). In contrast, recovery in the Euro area is anticipated to strengthen further to post a real GDP growth of 2.3% (2004: 2%) with a gradual pick-up in domestic demand aided by favourable financing conditions. Overall, global growth is projected at 4.4% in 2005 (2004: 4.6%).

(Source: Economic Report 2004/2005)

5.14.2 Malaysian Economy

The Malaysian economy accelerated its growth momentum in the first half of 2004, after a strong take-off in 2003, and is expected to surpass earlier expectations with higher growth of 7% for the whole year. Positive signs of a firm economic recovery at the global front, particularly in the first six months as well as higher commodity prices, reinforced the 'feel-good' factor that contributed to further improvement in consumer and business sentiments. Growth has become more broad based with all sectors registering positive growth. Domestic demand, particularly private consumption, continued to sustain growth for five consecutive years, while private investment, which picked up in 2003, became more entrenched, resulting in a private sector-led growth.

The synchronised upswing in the global economy and upsurge in electronics demand, as well as high prices for palm oil and crude oil, continued to propel export volume and earnings. Import growth was strong, particularly for intermediate and capital goods, reflecting robust domestic economic activities, fuelled by recovery in private investment and higher disposable income. The trade balance in July 2004 remained in surplus for 81 consecutive months since November 1997. Better export earnings and inflow of foreign funds increased the international reserves to USD54.4 billion as at 14 August 2004, sufficient to finance 7.2 months of retained imports and five times the short-term external debt. The national resource position remains strong with gross national savings at 36.5% of gross national produce (GNP), providing ample liquidity to finance both public and private sector initiatives.

The outlook for 2005 will generally remain favourable although global growth is expected to moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, then became apparent in the second half of 2004 and are expected to continue into 2005, will have a larger impact on growth next year. Global economic growth is projected to moderate to 4.4% in 2005 from 4.6% in 2004. The stronger macroeconomic fundamentals and resilience, backed by sturdy domestic demand and broad-based growth, will however, continue to support Malaysia's GDP growth, forecast at 6% in 2005.

(Source: Economic Report 2004/2005)

5.14.3 Performance and Prospect of the IT Industry

Malaysia is well placed to benefit from the new wave of growth based within ICT sector. The relatively developed infrastructure and the conducive environment put in place during the Seventh Plan period for the development of ICT, particularly within the MSC, have formed the foundation for Malaysia to leverage on the growth opportunities provided by the ICT sector.

During the Eighth Plan period, focus will be given towards further strengthening the human resources capabilities, hard and soft infrastructure as well as the building of a critical mass of SMEs and Internet users to enable Malaysia to move rapidly towards becoming a developed nation with a knowledge-based society. The period under the Seventh Malaysia Plan (1996-2000) saw a rapid growth in ICT utilisation. Investments in ICT expanded at a rate of 9.2% per annum from RM3.8 billion in 1995 to RM5.9 billion in 2000. This was largely due to increasing awareness of the importance of the production, diffusion and utilisation of knowledge and information for improving competitiveness and overall economic performance. Special incentives such as the abolition of sales tax on computers and components, and the granting of accelerated capital allowance for expenses on computers equipment also assisted in increasing the usage of ICT.

The thrust of the Government from 2001 onwards to 2005 will be to shift the growth strategy from one that is input-driven to one that is knowledge-driven in order to enhance potential output growth and accelerate structural transformation within the manufacturing and services sectors. ICT itself will be used as a key enabler to facilitate local companies to compete globally, especially in sectors such as banking and finance, logistics, manufacturing and key services. Investments will also be made to upgrade communications networks in line with technological advancements. For the same period, a total of RM5.2 billion will be allocated for ICT related programmes and projects.

(Sources: The Eighth Malaysian Plan 2001-2005)

5.14.4 Employment Growth

The stronger economic growth and rising demand for labour with recovery in private investment activities and better export performance are expected to result in better employment prospects and lower retrenchments. The labour market for 2004 is, therefore, envisaged to remain stable with the unemployment rate marginally declining to 3.5% (2003: 3.6%), below the generally accepted 4% unemployment rate for full employment level. Labour productivity, particularly in manufacturing sector is envisaged to remain higher than the increase in unit labour cost (ULC) amidst subdued wage level. The higher productivity augurs well for the nation in terms of competitiveness.

Labour force is expected to grow by 3.4% in 2004. The overall labour force participation rate is envisaged to increase from 67.3% in 2003 to 68.2% in 2004, mainly due to higher female participation. This is due to ICT development, which enables women to work from home with more flexible hours. The labour force is increasingly characterised by more educated entrants into the job market. Currently, more than 50% of the total labour force has attained secondary school education, while the proportion of labour force with tertiary education is expected to increase from 17.5% in 2003 to 18% in 2004, as a result of higher enrolment in institutions of higher learning.

The stronger economy and brisk business activities have enhanced employment opportunities. Total employment is expected to increase by 364,500 in 2004.

(Source: Economic Report 2004/2005)

Employment growth is estimated at 3.2% in the period under Eighth Malaysia Plan (2001-2005), which will create more than 1.6 million jobs, slightly higher than the 3.0% achieved during the Seventh Plan Period. The economy is expected to continue to be at full employment level with a low unemployment rate of 2.7% by the end of the Plan Period.

The size of the labour force is expected to increase by an average annual rate of 3.1% to reach 11.2 million persons, of whom 5.1% will be foreign workers. The labour force will continue to have a young age profile and is expected to be more educated and better trained.

(Sources: The Eighth Malaysian Plan 2001-2005)

5.14.5 Recruitment Trends

Online recruitment first appeared in the early 1990s, riding on the popularity and growth of the Internet. Pioneers of online recruitment were quick to realise the advantages of the Internet technology and employed it to address the problems faced by the traditional recruitment industry, such as reach for the right audience, slow recruitment process and relatively high costs of advertising on the newspaper and other traditional communication mediums.

The advantages of online recruitment are clearly identifiable. With the aid of the Internet, online recruitment becomes cheaper to deploy and has potentially better reach than other conventional communication mediums such as newspapers, direct mail or radio. It provides a higher level of accuracy in targeting – by age, geographical location, salary range and profession and work experience, and delivers an interactive capability. Employers can speed up the time it takes to process and evaluate a potential candidate. Jobseekers can take advantages of the filtering tools to filter out unsuitable jobs, making their search more convenient to use.

Online recruitment can thus be seen as a natural progression from the traditional recruitment industry, which has the potential to grow even more as companies turn to the Internet to fulfil their human resource needs.

5.15 Competition

The Group believes competition in the online recruitment market exists at 2 levels: competitors who compete on a regional basis and those who focus on a single national market.

The Group believes that as a regional player it has an added advantage over other single market players. The Group believes that the source of competitive differentiation lies in the end-to-end solution that JobStreet provides to its customers. JobStreet's service goes beyond providing a listing of jobs to providing a recruitment management system, career website management, search and selection services and contracting. In addition, the Group believes that it has the following attributes in maintaining its competitive advantage over its closest competitors:-

- Matching engines, tools and applications;
- Experience in regional markets;
- End-to-end recruitment solutions;
- Critical mass of users.

Apart from recruitment sites, the Group competes directly with newspaper or media companies which also offers e-recruitment services in addition to those provided under their respective media publications. The Group also competes with brick and mortar recruitment companies which offers a more traditional styled recruitment services.

Due to the lack of industry statistics, the Company is unable to determine exactly its market share or position in each of the country that it competes in. However, the Group believes that it is the market leader in Malaysia and Philippines for e-recruitment and it has an established presence in Singapore and India.

5.16 Five (5)-Year Business Development Plan

JobStreet Group is focused on the human capital business. Its vision is to become one of Asia's largest banks of human capital that is ready to be deployed to growing sectors of the world economy. JobStreet Group believes that it is positioned to achieve that vision as it is one of a small number of e-recruitment companies that extend into multiple markets in Asia.

To leverage its brand, infrastructure and expertise, JobStreet Group has established a network of subsidiary companies in the region operating under the *JobStreet* brand. These operations are currently in Malaysia, Singapore, India and Philippines with the potential to extend to other countries in the future.

In the medium to long term, there exists opportunities to expand its business geographically under the strategy of entering markets directly or developing a joint-venture/licensee arrangements with local parties with knowledge of the respective markets in Asia. Potential markets include countries like Indonesia, Thailand and China.

With the above in mind and the growth strategies of the Group as outlined herein, the management believes that they are well positioned to produce further success stories in the future.

JobStreet Group's strategy for long-term growth and enhanced profitability will be driven by several factors:

(a) Growth of Existing Products and Services

Given the fact that the Group's operations have only been in existence since 1997, it is still relatively early in the growth of its core job advertising product, JobStreet ESSENTIAL. This service has changed the way many companies recruit staff and has been the driving force behind the Group's growth historically. The management believes the revenue potential for this service is still higher than that which has been realised to-date. The growth opportunities are believed to be attractive as people embrace the use of the Internet and corporate recruitment processes evolve to take advantage of new technologies.

Aside from the potential growth of JobStreet Group's core advertising product, there are several products which JobStreet Group has only aggressively launched in the last 24 months which should grow strongly in the future. Products which the Group believes to have material revenue potential include JobStreet SELECT, JobStreet LEARNING and various jobseeker services.

The Group's relationship with its long-term customers comprising multinational companies and household names as disclosed in Section 5.10 of this Prospectus, will serve as a reference in converting other HR practitioners to recruit the online way.

(b) Product Development Plans

Aside from those products already launched, JobStreet intends to continue to invest up to 10% of its annual turnover into R&D for the development of new products. These new products are expected to complement the core recruitment services provided by JobStreet and create new revenue streams for the Group.

Further, JobStreet intends to refine its human capital database to exploit online marketing opportunities. The general strategies and plans that JobStreet will adopt are as follows:-

- Conduct R&D and develop data mining or inference engines and matching algorithms in particular for the purpose of identifying target groups based on psychographic data such as personality and attitude profiles, motivation traits and behavioral characteristics. The objective is to increase the accuracy of the selection of a target group, hence increasing the success rate of the advertisers' marketing campaigns;
- Conduct R&D and develop web-based tools to extract psychographic data from individuals and tools to infer relevant data based on indirect information such as job application data;

- Explore cross border marketing opportunities since JobStreet Group already possess a database of users and corporate clients in Malaysia, Singapore, Philippines and India. Cross border marketing is suited for products with export potential such as tertiary education, software and travel packages etc. Cross border marketing may also be used to market products which are not readily available in the targeted country;
- Explore the use of latest technologies to incorporate interactive content, voice messages, video and animation into advertisers' promotional messages;
- Incorporate online payment technologies to enhance user convenience and improve debtor collection timing.

(c) Business Development Plans

Currently, JobStreet Group has commercial operations in four countries, namely Malaysia, Singapore, Philippines and India. It is the Group's current focus to further develop its presence and market share in these four countries.

With the Internet and the Group's technology, the potential exists to expand to any market which is deemed to have a sufficiently attractive risk/reward profile. Going forward, when it finds opportunities and/or viable partners, the Group may enter directly or through partnership and joint-venture agreements in new geographic markets such as Indonesia, Thailand, China and other Asian countries. The Group's strategy in this case would generally be to provide the technical infrastructure and management expertise while the partner provides capital to fund the initial investment period of the business. Alternatively, the Group may enter into licensing arrangements with third parties operating in new markets for the use of its intellectual property and software.

(d) Marketing

Initially, the Group's e-recruitment products and services have spread through word of mouth and client referrals. This together with the high value propositions and effectiveness of the Group's products and services has helped ensured that the *JobStreet* brandname became established fairly quickly in the market. Subsequently, marketing activities such as advertising have been undertaken to grow the database and building the brandname and it is planned for these activities to continue and possibly increase.

One of the Group's marketing strategies in the future is to promote the subscription fee-based human capital services for individuals using a variety of email communications including announcements in the Group's weekly/daily job notification services and special announcements on the *JobStreet.com* portal. As for its corporate customers, the Group will continue to communicate with them regularly through networking events and its local sales force.

(e) Acquisition of complementary businesses

Upon completion of the public listing, JobStreet is expected to have ready access to capital, in addition to the IPO proceeds, which can be used to acquire companies with businesses that complement JobStreet's current operations, thus opening up new opportunities for the Group.

6 APPROVALS AND CONDITIONS

6.1 Flotation Scheme

In conjunction with the listing of and quotation for its entire enlarged issued and paid-up share capital on the MESDAQ Market, JobStreet has undertaken a flotation scheme which will entail the following: -

6.1.1 Acquisition of JS

Pursuant to the Sale and Purchase Agreement dated 16 September 2004, the Company has acquired the entire enlarged issued and paid up share capital of JS after the conversion of the RCPS and exercise of all options granted under JS's Directors' and Employees' Share Option Scheme, for a purchase consideration of RM18,527,253 which has been satisfied in full by an issuance of 18,299,998 new ordinary shares of RM1.00 each in JobStreet at an issue price of RM1.0124 per ordinary share. The purchase consideration was derived on a net asset basis after taking into account the valuation of the intellectual property rights owned by JS and its subsidiary companies.

	Note	RM
Audited Net Asset of JS as at 31 August 2003		(4,636,458)
+ RCPS conversion	(a)	10,567,575
+ Exercise of options (Directors' and Employees' Share Option Scheme)	(b)	596,136
Total Net Asset		6,527,253
Acquisition of IP		
- Agreed purchase consideration – (see below)		12,000,000
Total Purchase Consideration		18,527,253
No of ordinary shares of RM1.00 each to be issued at RM1.0124 per share		18,299,998

Notes:-

- (a) As at 31 August 2003, there were 312,000 RCPS-A and 70,377 RCPS-B held by the various investors at JS which have been fully converted into ordinary share of JS upon obtaining the approval of the authorities.
- (b) There was a total of 1,312,214 options granted to the directors and employees of JS and its subsidiary companies under the Directors' and Employees' Share Option Scheme as at 31 August 2003, exercisable at the price of SGD0.131. Subsequent to this date, a net total of 742,260 additional options were granted. The options have been fully exercised prior to or upon obtaining the approval of the authorities.

As contained in Section 11 of this Prospectus, Deloitte Corporate Advisory Services Sdn Bhd ("Deloitte") has conducted an independent valuation of the intellectual property owned by JS Group. Deloitte opined that the value of the intellectual property is in the range of SGD6.7 million to SGD7.5 million. Based on the exchange rate of RM2.215/SGD1.00, the valuations arrived at for the intellectual property and the corresponding discount in the agreed purchase consideration from the valuation are as follows:-

Valuation	SGD6.7 million	SGD7.5 million
RM's equivalent	RM14.84 million	RM16.61 million
Agreed purchase consideration	RM12 million	RM12 million
Discount from valuation	19%	28%

The Acquisition of JS was completed on 30 September 2004.

6.1.2 Share Split

Each of the ordinary shares of RM1.00 each of JobStreet, upon completion of the above, has been split into ten (10) ordinary shares of RM0.10 each ("Shares").

The Share Split was completed on 1 October 2004.

6.1.3 IPO

The IPO by JobStreet will involve the public issue of 18,000,000 million new Shares at an issue price of RM0.54 per Share. Upon completion of the Public Issue, the Company's issued and paid-up share capital will be increased from RM18,300,000 comprising 183,000,000 Shares to RM20,100,000, comprising 201,000,000 Shares.

The Public Issue Shares is to 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; and
- 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.

All the Shares to be issued pursuant to the IPO 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.

6.1.4 ESOS

In conjunction with its proposed listing, the Company proposes to implement an ESOS involving up to 10% of the Company's issued and paid-up share capital at any time during the existence of the ESOS, to be issued pursuant to the options to be granted under the ESOS to the directors and eligible employees of the Group.

When enforced, the directors of the Company propose to grant up to 20,100,000 options under the ESOS to the directors and eligible employees of the Group ("Initial Grant"). The exercise price of the options which are the subject matter of the Initial Grant is the issue price of the IPO Shares.

In addition to the Initial Grant, the Board shall, within the duration of the ESOS, make offers to grant options to the directors and eligible employees of the Group in accordance with the ESOS Bye-Laws adopted by the shareholders of the Company. Each such option which is not part of the Initial Grant shall be exercisable at a price which is the weighted average market price of the Company's Shares for the five market days immediately preceding the date on which the option is granted less, if the directors of the Company shall decide at their discretion from time to time, a discount of not more than 10%.

The ESOS shall be in force for duration of five (5) years. However, the ESOS may be extended for up to ten (10) years at the discretion of the Board upon the recommendation of the option committee. The new Shares to be issued upon the exercise of the options will, upon allotment and issue, rank *pari passu* in all respects with the existing issued and paid-up Shares of the Company, except that the new Shares will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the said Shares. The new Shares will be subject to all the provisions of the Articles of Association of the Company.

6.2 Approvals and Conditions

The SC and Bursa Securities have approved the IPO on 16 September 2004 and 17 September 2004 respectively. The conditions imposed by the authorities and status of compliance are as follows:-

Authority	Details of Conditions Imposed	Status on Compliance
SC	<p>SC's letter dated 16 September 2004</p> <ul style="list-style-type: none"> ▪ JobStreet is to disclose the time frame for the utilisation of the listing proceeds in the prospectus. Any extension of time for the completion of the utilisation of proceeds from that determined earlier is to be approved by a clear resolution by the board of directors of JobStreet and fully disclosed to Bursa Securities; and ▪ JobStreet is to disclose the status of the utilisation of the listing proceeds until they are fully utilised. 	<p>Complied. See Section 3.6 of the Prospectus</p> <p>Will be complied</p>
Bursa Securities	<p>Bursa Securities' letter dated 17 September 2004</p> <p>1. JobStreet to disclose the following in the prospectus:-</p> <ul style="list-style-type: none"> • The basis of valuation of the intellectual property and in particular, approach adopted and the relevant methodology and rationale, key basis and assumptions used, discount rates adopted and rationale, and components of intellectual property valued; • The economic life of the intellectual property, and the basis and justifications thereof; • Sources of information used to prepare the valuation report and the fact that no independent verification has been undertaken by Deloitte Corporate Advisory Services Sdn Bhd with respect to the validity and accuracy of the information provided; • Mitigating steps/actions taken or will be taken to minimise the risk of impairment loss with respect to Goodwill; and • Action to be taken to minimise the impact on the financial position of the Company when an impairment loss is recognised, and financial impact of impairment loss with respect of the Goodwill. <p>2. JobStreet to include a negative statement in its prospectus on the exclusion of profit forecast and projections from the prospectus and the reasons thereof.</p>	<p>Complied.</p> <p>See Section 11 of the Prospectus</p> <p>See Section 11 of the Prospectus</p> <p>See Section 11 of the Prospectus</p> <p>See Section 4.3 of this Prospectus</p> <p>See Section 4.3 of this Prospectus</p> <p>Complied. See Section 3.8 of the Prospectus</p>

6.3 Moratorium Condition

Pursuant to the Listing Requirements, Shares held by the Promoters amounting to 45% of the nominal issued and paid-up capital of JobStreet at the date of its admission to the Official List of MESDAQ Market (assuming full exercise of the ESOS options), are to be placed under moratorium. The Promoters whose Shares are subject to moratorium are as follows:-

Promoters	Under Moratorium After the IPO		Under Moratorium After Full Exercise of the ESOS*	
	No. of Shares held	%	No. of Shares held	%
Mark Chang	28,139,119	14.00	28,139,119	12.73
Dr. Albert Wong Siew Hui	20,955,794	10.43	20,955,794	9.48
Ng Kay Yip	17,068,273	8.49	17,068,273	7.72
Lim Chao Li	14,948,419	7.44	14,948,419	6.76
Suresh A/L Thirugnanam	8,337,073	4.15	8,337,073	3.77
Gregory Charles Poarch	6,833,358	3.40	6,833,358	3.09
Natarajan Muralidharan	3,212,964	1.60	3,212,964	1.45
	99,495,000	49.50	99,495,000	45.00

Note:-

* *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 capital upon listing. Under the terms of the Bye-Laws of the ESOS, the quantum of the ESOS is up to 10% of the Company's issued and paid-up capital at any time during the existence of the ESOS.*

The moratorium has been fully accepted by the Promoters. They will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares under the moratorium within one (1) year from the date of admission of JobStreet to the Official List of MESDAQ Market and thereafter, they are permitted to sell, transfer or otherwise dispose up to a maximum of one third of their respective shareholdings per annum on a straight-line basis.

This restriction is specifically endorsed on the share certificates of JobStreet representing the respective shareholdings of the Promoters which are under moratorium to ensure that the Registrar shall not register any transfer not in compliance with the moratorium restrictions.

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7 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT

7.1 Substantial Shareholders and Promoter

7.1.1 Shareholdings in JobStreet

The direct and indirect interest of the substantial shareholders and the Promoters in the issued share capital of the Company upon completion of the IPO are as follows: -

	Nationality / Place of incorporation	After IPO				After full exercise of ESOS options ^(a)			
		Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Promoters									
Mark Chang	Malaysian	34,115	16.97	-	-	35,615	16.11	-	-
Dr. Albert Wong Siew Hui	Malaysian	25,078	12.48	-	-	25,878	11.70	-	-
Lim Chao Li	Malaysian	17,889	8.90	-	-	17,889	8.09	-	-
Ng Kay Yip	Malaysian	20,426	10.16	-	-	20,426	9.24	-	-
Suresh A/L Thirugnanam	Malaysian	9,977	4.96	-	-	10,777	4.87	-	-
Gregory Charles Poarch	American	8,177	4.07	-	-	8,977	4.06	-	-
Natarajan Muralidharan	Indian	3,845	1.91	-	-	4,645	2.10	-	-
Substantial Shareholders									
Mark Chang	Malaysian	34,115	16.97	-	-	35,615	16.11	-	-
Dr. Albert Wong Siew Hui	Malaysian	25,078	12.48	-	-	25,878	11.70	-	-
Lim Chao Li	Malaysian	17,889	8.90	-	-	17,889	8.09	-	-
Ng Kay Yip	Malaysian	20,426	10.16	-	-	20,426	9.24	-	-
WIIG	Singapore	10,573	5.26	-	-	10,573	4.78	-	-

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.

7.1.2 Description on Substantial Shareholders/Promoter

A brief background of the substantial shareholders and promoters of JobStreet as detailed in Section 7.1.1 above, apart from those who are also Directors or key personnel of the Company, are as follows:-

WIIG

WIIG is a fund managed by Walden Singapore and a part of the Walden International group of funds. Founded in 1987, Walden International has established itself as a first tier global ventures capital firm with offices in United States, Taiwan, Singapore, Philippines, Malaysia, India, Japan, China and Hong Kong. With USD1.5 billion under management, Walden International's investments are focused on four key industrial sectors: communications, electronics, software and IT services and semi-conductors.

The board of directors of WIIG comprises Loo Hock Voon, Chua Kee Lock, Lip-Bu Tan, Chua Joo Hock, Lam Kwok Chong and Hugo Baron Huysen Van Kattendijke. WIIG's shareholders and their respective shareholdings as at 1 October 2004 are as follows:-

Type	Shareholders	Shareholding
Ordinary	DBS Nominees Pte Ltd	4,700
	Kepventure Pte Ltd	35,250
	Vertex Ventures Holdings Ltd	35,250
	Al-Mal Kuwaiti Co.	7,520
	Investment Fund I- Direct En Co. C.V.	23,500
Preference	DBS Nominees Pte Ltd	15,300
	Kepventure Pte Ltd	114,750
	Vertex Ventures Holdings Ltd	114,750
	Al-Mal Kuwaiti Co.	24,480
	Investment Fund I- Direct En Co. C.V.	76,500
Others	Vertex Venture Holdings Ltd	15
	Kepventure Pte Ltd	15
	Investment G Pte Ltd	70

7.1.3 Directorship and Substantial Shareholding of Substantial Shareholders/Promoters in Other Public Corporations for the Past Two (2) Years

None of the substantial shareholders/promoters of JobStreet stated in Section 7.1.1 above has any directorship or substantial shareholdings (holding 5% or more) in other public corporations in Malaysia for the past two (2) years preceding the date of this Prospectus.

7.1.4 Changes in Promoters and Substantial Shareholders' Shareholdings in the Company for the Past Three (3) Years

Changes in substantial shareholders/promoters and their shareholdings in JobStreet for the past three (3) years as follows:-

Substantial shareholder / Promoter	Date		No of ordinary shares of RM1.00 each in JobStreet acquired/(disposed)	Balance	* %
	Acquired	Disposed			
Mark Chang	30/09/2004	-	3,411,524	3,411,524	18.64
Dr. Albert Wong Siew Hui	30/09/2004	-	2,507,771	2,507,771	13.70
Ng Kay Yip	30/09/2004	-	2,042,553	2,042,553	11.16
Lim Chao Li	30/09/2004	-	1,788,871	1,788,871	9.78
Suresh A/L Thirugnanam	30/09/2004	-	997,694	997,694	5.45
Gregory Charles Poarch	30/09/2004	-	817,745	817,745	4.47
Natarajan Muralidharan	30/09/2004	-	384,494	384,494	2.10
WIIG	30/09/2004	-	1,057,322	1,057,322	5.78

* Based on the issued and paid up share capital of JobStreet as at 1 October 2004 comprising 18,300,000 ordinary shares of RM1.00 each prior to the Share Split.

7.2 Board of Directors

A brief profile on the Board of Directors of JobStreet is as follows: -

Datuk Ali Abdul Kadir, a Malaysian aged 55, is the Independent Non-Executive Chairman of JobStreet. Datuk Ali Abdul Kadir is the Senior Advisor of Ernst & Young, Malaysia and presently sits on the board of the Labuan Offshore Financial Services Authority. Previously, he was appointed by the Minister of Finance as Chairman of the SC on 1 March 1999. Datuk Ali Abdul Kadir also chaired the Capital Market Advisory Council and was a member of a number of national committees including the National Economic Consultative Council II, the Foreign Investment Committee and the Oversight Committee of Pengurusan Danaharta Nasional Berhad. He was also a trustee of the Financial Reporting Foundation, which oversees the financial reporting framework in Malaysia, and had served on the Finance Committee on Corporate Governance. In addition, Datuk Ali Abdul Kadir was also a Trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions from November 2000 to October 2003.

Datuk Ali Abdul Kadir was also actively involved in international regulatory circles. He was a member of the Executive Committee of the International Organisation of Securities Commission (IOSCO), Chairman of IOSCO's Asia-Pacific Regional Committee and chaired the Islamic Capital Market Task Force.

Prior to his appointment as Chairman of SC, Datuk Ali Abdul Kadir was the Executive Chairman and Partner of Ernst & Young and its related firms. He was also the former President of the Malaysian Institute of Certified Public Accountants, chairing both its Executive Committee and Insolvency Practices Committee, and co-chairing the Company Law Forum.

Datuk Ali Abdul Kadir is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and qualifying as member in 1974.

Tan Sri Dato' Dr Lin See Yan, a Malaysian aged 65, is an Independent Non-Executive Director of JobStreet. He is currently Chairman and CEO of Charles River Associates Sdn Bhd, an independent strategic and financial consultancy firm. Prior to 1998, Tan Sri Lin was the Chairman and CEO of the Pacific Bank Group of companies involved in banking, insurance and related financial services and for 14 years since 1980, he was the Deputy Governor of Bank Negara Malaysia. Tan Sri Lin continues to serve the public interest as Member of the National Economic Action Council (NEAC) Working Group; Pro-Chancellor of the Universiti Sains Malaysia; Trustee of the Malaysia University of Science & Technology; Director of the Monash University (Sunway Campus) Malaysia; and Governor of the Asian Institute of Management, Manila, as well as Member of the Asian Financial Regulatory Shadow Committee which is based in the US.

In addition, he advises and sits on the Board of a number of publicly listed and private business enterprises in Malaysia, Singapore and Indonesia. He is the Chairman, Graduate School Alumni Council at Harvard University in Cambridge, USA as well as Regional Director for Asia, Harvard Alumni Association at Harvard University in addition to being Member, Visiting Committee on Asian Studies at the University. Tan Sri Lin is also the President of Harvard Club in Malaysia, Professor of Economics (Adjunct) of the Universiti Utara Malaysia and Member of the Eisenhower Fellowships' International Advisory Council in Philadelphia. He is also a Trustee of Tun Ismail Ali Foundation, Harvard Club of Malaysia Foundation, Malaysian Economic Association Foundation, and MAKNA (National Cancer Council).

Professionally qualified in the UK as a chartered statistician, Tan Sri Lin is also a banker, economist and venture entrepreneur. He received 3 post-graduate degrees (including Ph.D in Economics in 1977) from Harvard University, USA, where he was a Mason Fellow and Ford Scholar. He is an Eisenhower Fellow and Fellow; of IMF Institute (Washington D.C); Royal Statistical Society (London); Malaysian Institute of Management and Malaysian Economic Association. He is also Distinguished Fellow of the Institute of Strategic and International Studies.

Lim Chao Li, a Malaysian aged 38, is a Non-Executive Director and co-founder of JM. He obtained a Bachelor of Science in Economics majoring in Accounting and Finance from the Wharton School of Business, University of Pennsylvania, USA and a Bachelor of Applied Science in Systems Engineering from the School of Engineering and Applied Science, University of Pennsylvania, USA. He commenced his career in 1989 as an Audit Assistant with Deloitte & Touche in Philadelphia, USA. In 1991, he moved back to Malaysia and joined Johnson & Johnson Sdn Bhd as an Accountant. He was promoted as its Finance & Administration Manager in 1993. He joined the Hotel Equatorial Group ("HEG") in 1994 as a Project Manager and became Vice President of Finance in 1997. He currently oversees HEG's hotel finance departments as well as several other companies in the group. His geographical area of responsibility includes Malaysia, China and Vietnam.

Ng Kay Yip, a Malaysian aged 39, is a Non-Executive Director and co-founder of JM. He graduated in 1988 with a Bachelor of Science in Electrical Engineering from the School of Engineering and Applied Science, University of Pennsylvania, USA and a Bachelor of Science in Economics from the Wharton School of Business, University of Pennsylvania, USA. In 1990, he obtained a Master of Science in Electrical Engineering from Massachusetts Institute of Technology. While completing his education in the United States, he worked as a research officer with Bell Communications Research. Since 1990, he has been the executive director of the Maran group of companies, a family business that is involved in timber, property and construction.

Mark Chang, a Malaysian aged 39, is an Executive Director of JobStreet and founder of JM. He has also been its Chief Executive Officer since its inception. He obtained his Bachelor of Science in Mechanical Engineering from the University of Texas, Austin, USA in 1988 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology, USA in 1990. Prior to founding MOL Online Sdn Bhd in 1995 and subsequently JM in 1997, Mark was with Kendall International, a US healthcare company, for 5 years, starting as a process engineer in 1990 before being promoted to manufacturing manager in 1992 and regional director of sales and marketing for Malaysia in 1994. He left Kendall International in 1996 to establish JM. Under his direction, JobStreet Group has expanded regionally.

Suresh A/L Thirugnanam, a Malaysian aged 39, is an Executive Director and the Vice President of Operations of JobStreet, who has overall responsibility for the operations and customer care of the Group. He obtained his Bachelor of Science in Mechanical Engineering from the Massachusetts Institute of Technology in 1989, USA and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology, USA in 1989. Suresh started his career with Digital Equipment Corp, USA in 1989. In 1992, he worked briefly in Maxoptix Corporation, San Jose, USA before relocating back to Malaysia to join Motorola Malaysia Sdn Bhd ("Motorola") as a manufacturing engineer. He left Motorola in 1994 to join Maxis Communications Sdn Bhd where he held several positions, including Head of Network Services Operations and Head of Fixed Network Product and Planning Group before joining JobStreet in 2000.

7.2.1 Directors' Shareholding

The Directors' shareholding in the Company upon completion of the IPO are as follows: -

Directors	After IPO				After full exercise of ESOS options ^(a)			
	Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Datuk Ali Abdul Kadir	^(b) 2,000	1.00	-	-	3,000	1.36	-	-
Tan Sri Dato' Dr Lin See Yan	^(b) 1,000	0.50	-	-	2,000	0.90	-	-
Mark Chang	34,115	16.97	-	-	35,615	16.11	-	-
Lim Chao Li	17,889	8.90	-	-	17,889	8.09	-	-
Ng Kay Yip	20,426	10.16	-	-	20,426	9.24	-	-
Suresh A/L Thirugnanam	9,977	4.96	-	-	10,777	4.87	-	-

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.

7.2.2 Directorships and Substantial Shareholding in Other Public Corporations for the Past Two (2) Years by the Directors and CEO of the Company

Save as disclosed below, none of the Directors of JobStreet has either directorships or major shareholding or both in other public corporations in Malaysia for the past two (2) years as at 1 October 2004.

Name	Public Corporation	Date Resigned	Major Direct Shareholding %	Position Held
Datuk Ali Abdul Kadir	Airocom Technology Berhad	-	6.73	Chairman
Tan Sri Dato' Dr Lin See Yan	Fraser & Neave Holdings Berhad	-	-	Director
	Ancorn Berhad	-	-	Director
	Genting Berhad	-	-	Director
	Resorts World Berhad	-	-	Director
	Wah Seong Corporation Berhad	-	-	Director
	Kris Component Bhd	-	-	Chairman
	Kumpulan Guthrie Bhd	23.10.02	-	Director

7.2.3 Directors Remuneration

For the financial year ended 31 December 2003, RM551,616 remuneration was paid to the Directors of JobStreet for the service in all capacities to JobStreet Group. The banding of remuneration and benefits of Directors of JobStreet for the financial year ended 31 December 2003 and proposed for the current year are as follows: -

Financial Year	Number of Directors	Range *
2003	2	RM200,000 – RM400,000
2004	4	RM0 – RM200,000
	2	RM200,000 – RM400,000

* Including salaries, bonuses and statutory contributions.

7.3 Management Team

The directors of JobStreet, are assisted by an experienced management team. Apart from these individuals whose particulars are detailed in Section 7.2 of this Prospectus, particulars of the management team are as follows:-

Dr. Albert Wong Siew Hui, a Malaysian aged 39, is the Vice President of Technology of JobStreet where he heads the R&D department. He obtained his Bachelor of Engineering (Civil) from the University of Western Australia in 1987, a Master of Science in Civil Engineering from the Massachusetts Institute of Technology, USA in 1991 and a PhD degree in Computer-Aided Engineering from the Massachusetts Institute of Technology, USA in 1993. Dr. Albert started his career with Schlumberger Austin Product Center before moving to Genesis Development Corporation, USA in 1998. Dr. Albert joined JobStreet Group in 2000 where he has overall responsibility for JobStreet's technology including product development, website platform architecture, sales technologies, technical operations and technical support.

Natarajan Muralidharan, an Indian national aged 50, is the Vice President and Managing Director of JI. He obtained his Bachelor of Engineering (Mechanical) from the Veermata Jijabai Technological Institute, University of Bombay in 1978 and a post graduate Diploma in Materials Management from the Indian Association of Materials Management, Bombay in 1980. Mr Muralidharan started his career as a materials officer with Bharat Gears Limited in 1977 before moving to Tata Burroughs Ltd as a purchasing officer in 1980. From 1982 to 1988, he joined Modi Xerox Ltd as a Materials Manager and later Project Manager. In 1988, he joined Wipro Ltd, holding various managerial positions before being promoted as Vice President for its Manufacturing and Energy Solutions Division. In 1997, he joined Silicon Graphics Inc. ("SGI"), as the General Manager and Country Head for India. He left SGI in 1999 to join Informix International Inc, as the Managing Director for South Asia. He joined JobStreet Group in 2000.

Gregory Charles Poarch, an American aged 38, is the Vice President of Finance who is responsible for the overall financial operations of JobStreet Group. Greg obtained his Bachelor of Science degree with a major in Accountancy from Southwestern Oklahoma State University in Oklahoma, USA in 1988. Subsequently, he obtained his Certified Public Accountant designation in the USA in 1991. He started his career with the public accounting firm of Finley & Cook in 1988 as an auditor. In 1991, he moved to Occidental Petroleum Corporation as a senior auditor. After a posting to Occidental's Malaysian subsidiary in 1993, he joined Measat Broadcast Network Systems Sdn. Bhd. ("Astro") in Malaysia in 1996 as Manager, Systems and Methods. Subsequently, in 1997, he was promoted to senior finance manager with additional operational finance responsibilities until leaving Astro for JobStreet Group in mid-2000.

7.3.1 Key Management or Technical Personnel's Shareholdings in JobStreet

The shareholdings of the key management or technical personnel in the Company upon completion of the IPO are as follows: -

Key Management / Technical Personnel	After IPO				After full exercise of ESOS ^(a)			
	Direct ('000)	%	Indirect ('000)	%	Direct ('000)	%	Indirect ('000)	%
Mark Chang	34,115	16.97	-	-	35,615	16.11	-	-
Dr. Albert Wong Siew Hui	25,078	12.48	-	-	25,878	11.70	-	-
Suresh A/L Thirugnanam	9,977	4.96	-	-	10,777	4.87	-	-
Gregory Charles Poarch	8,177	4.07	-	-	8,977	4.06	-	-
Natarajan Muralidharan	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.

7.3.2 Declaration of Directors, Key Management and Key Technical Personnel

None of the Directors, key management or key technical personnel is or was involved in the following events:-

- (a) A petition under bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Charged and/or conviction in a criminal proceeding or is a name subject of pending criminal proceeding; and
- (c) The subject of any order, judgement or ruling or any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities or employee of a financial institution and engaging in any type of business practice or activity.

None of the Executive Directors, key management or key technical personnel is involved in other businesses or corporations.

7.4 Audit Committee

JobStreet has set up an Audit Committee on 7 October 2004 which comprises the following Board members: -

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

The main functions of the Audit Committee include the review of audit plan and audit report with the auditors, review of the scope of internal audit procedures, review of quarterly results and financial statements, review the appointment of auditors, to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the companies within the group and undertake such other responsibilities as may be agreed to by the committee and the Board.

7.5 Service Agreements

As at 1 October 2004, being the latest practicable date prior to the issuance of this Prospectus, there are no existing or proposed service contracts between the Company or its subsidiaries and its directors and key management or technical personnel.

7.6 Relationship and Associations

As at 1 October 2004, there exist no relationships or associations between the substantial shareholders, promoters, Directors and key management or technical personnel of the Company.

7.7 Related Party Transactions

The details of related party transactions are as follows: -

7.7.1 Promotion of assets

Save for the Acquisition of JS as set out in Section 6.1.1 of this Prospectus, none of the Directors and/or substantial shareholders of JobStreet and its subsidiary companies and persons connected to them, has any interest, directly or indirectly, in the promotion of or in any material assets which have, within the 2 years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiary companies or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiary companies taken as a whole.

7.7.2 Transactions with Related Party

There are no existing or proposed transactions between the Group and its related parties and there is no conflict of interest in relation to JobStreet Group and its related parties. Related party means a director, major shareholder and/or persons connected with such director or major shareholder as defined under Section 122A of the Act.

7.7.3 Interests in similar business

None of the Directors or substantial shareholders is interested, directly or indirectly, in any other business carrying similar trade as the Company and its subsidiary companies.

7.7.4 Transactions which are Unusual in their Nature or Conditions

There are no unusual transactions in their nature or conditions, involving goods, services, tangible or intangible assets, to which JobStreet Group was a party in respect of the past one (1) financial year and the subsequent financial period thereof, if any, immediately preceding the date of this Prospectus.

7.7.5 Outstanding Loans Made by JobStreet Group to/for the Benefit of Related Parties

There is no outstanding loan made by JobStreet Group to or for the benefit of the related parties for the past one (1) financial year and the subsequent financial period thereof, if any, immediately preceding the date of this Prospectus.

7.7.6 Declaration Of Interest

AmMerchant Bank hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser to JobStreet Group for the IPO.

Messrs KPMG hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants to JobStreet Group for the IPO.

Messrs Jeff Leong, Poon & Wong hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors to JobStreet Group for the IPO.

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8 FINANCIAL INFORMATION

8.1 Proforma Historical Financial Record

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
JI (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.

A detailed discussion on material changes for the period under review are contained in the Accountants' Report in Section 10.

8.2 Directors' Declaration on Financial Performance

Save as disclosed in Section 4 and 8.4 of this Prospectus, the Directors of JobStreet are of the view that the financial conditions and operations of JobStreet and its subsidiaries are not affected by any of the following:-

- Any known trends, demands, commitments, events or uncertainties that have had or that JobStreet reasonably expects to have a material or unfavourable impact on the financial performance, position and operations of the Company;
- Any material capital expenditure commitments, the purpose of such commitments and the anticipated source of funds save as detailed in Section 8.5;
- Any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Company/Group; and to the extent to which the financial performance, position and operations of the Company was so affected; and
- Any known trends, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

Detailed discussions on the Group's revenue throughout the period under review are contained in Section 8.4 below.

8.3 Key Financial Information

The table below sets out key financial information which are provided for illustrative purposes based on the audited financial statements of JobStreet Group, assuming that the Group had existed throughout the years / periods under review:-

	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
Pre-tax profit/(loss) margin (%)	(18.97)	(9.27)	(46.45)	(4.47)	15.14	26.52
Total borrowings (RM) ^(a)	4,995,850	6,691,443	14,340,906	9,839,305	10,770,557	11,121,332
Finance cost (RM)	(104,929)	(497,016)	(996,117)	(722,798)	(821,521)	(422,217)

Notes:-

- (a) The total borrowings primarily consist of the RCPS which has been converted into equity on 29 September 2004.

8.4 Analysis and Commentary on Financial Information

A detailed analysis of the financial condition and operations of the Group is as follows.

Revenue and Profitability

The revenue of the Group is mainly derived from its job posting services. The Group's core subsidiary, JM, has been the main revenue contributor of the Group since financial period ended 31 December 1999.

The breakdown of revenue contribution made by each of the company in the Group is 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
Turnover	RM	RM	RM	RM	RM	RM
JM *	2,602,432	4,915,439	6,365,325	8,063,498	14,158,655	11,898,855
JS	5,357	742,744	1,636,729	1,833,254	2,123,796	1,824,083
JP	-	364,478	779,619	1,329,995	1,842,406	1,395,070
Jl	-	230,610	1,126,049	1,254,425	1,624,579	1,176,302
	2,607,789	6,253,271	9,907,722	12,481,172	19,749,436	16,294,310
Adjustments **	-	-	-	-	(350,271)	(123,503)
TOTAL	2,607,789	6,253,271	9,907,722	12,481,172	19,399,165	16,170,807

* Results of JM for the 15 months period ended 31 December 1999 are inclusive of MOL Online Sdn Bhd's result.

** Primarily consists of corporate charges from JM to JP which are subject to elimination upon consolidation.

Besides JM, prior to October 1999, the job posting services of the Group were also carried out by MOL Online Sdn Bhd ("MOL"), which was held by Mark Chang, Ng Kay Yip, Lim Chao Li, Dr. Albert Wong Siew Hui, and Tan Sri Abu Talib bin Othman at that time. During the financial period ended 30 September 1998, JM was using MOL's website for its job posting services. In July 1999, JM and MOL became subsidiary companies of JS. Subsequently on 1 October 1999, JM took over the job posting operations of MOL. MOL, which had contributed approximately 1% of the Group turnover for the year ended 31 December 1999, was later disposed of in 2000 to a third party. The disposal of MOL had resulted in a gain on disposal of subsidiary of approximately RM9.7 million for the Group for the financial year ended 31 December 2000.

Overall, the Group showed positive growth rate in turnover during the financial periods/years from 1999 to 2003. This is due mainly to the increase in job posting revenue as a result of the increased recognition of the Group's website. The growth in the Group's revenue after the financial year ended 31 December 2000 was further enhanced by the progressive introduction of new products and services such as JobStreet SELECT, JobStreet RESOURCE, JobStreet IMPACT, JobStreet LEARNING and others, which have been well received by the customers. For the 3 year period from 2001 to 2003 the Group's sales have grown at an compounded annual growth rate of approximately 46%.

Despite the increase in turnover for the financial year ended 31 December 2001, the Group incurred a higher pre-tax loss of RM4.6 million. The heightening of the pre-tax loss margin was due to the increase in marketing expenses to enhance brand recognition in Singapore, India and Philippines, increased investment in R&D, payroll related expenses to facilitate the business expansion plans and the higher provision of interest payable to RCPS upon redemption.

In the financial year ended 31 December 2002, the Group registered a lower pre-tax loss of approximately RM0.4 million following the implementation of tighter cost control measures and expansion of several new services introduced in the previous year. These new services also contributed to the growth in turnover for the following financial year ended 31 December 2003. The Group for the year 2003 registered a profit of approximately RM2.8 million on the back of a 55% increase in turnover from the previous year. It is expected that, for the year 2004, the Group will continue its strong performances shown in 2003. For the first half of the year 2004, the Group registered a turnover of RM16.2 million, which is approximately 83.4% of the annual turnover in 2003. Profits for the six-months period ended 30 June 2004 has already surpassed the full-year 2003 profits.

Total Borrowings

The Group's borrowings for the period under review are primarily in respect of the RCPS held at JS level. The RCPS has been classified as liabilities and the provision for interest payable upon redemption of the RCPS is charged to the income statements of JS as finance cost following the adoption of SAS 32 in the financial year ended 31 December 2001. As such, the RCPS is disclosed as borrowings. However, upon completion of the Flotation Scheme under the terms of the Sale and Purchase Agreement dated 16 September 2004, the RCPS holders have fully converted their RCPS into equity.

As at 1 October 2004, being the latest practicable date prior to the issuance of this Prospectus, the financial conditions and operations of the Group are not affected by any known trends, demands, commitments, events or uncertainties that have had or are reasonably expected to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group save as disclosed in Section 4.

8.5 Working Capital, Borrowings, Contingent Liabilities and Material Commitments

Working Capital

The Directors of JobStreet are of the opinion that after taking into account the Group's cashflow position, banking facilities available and gross proceeds from the IPO, the Group will have sufficient working capital for its present and foreseeable requirements for a period of twelve (12) months from the date of the Prospectus.

Borrowings

As at 1 October 2004, the Group does not have any bank borrowings.

Contingent Liabilities and Material Commitments

As at 1 October 2004, the directors of JobStreet are not aware of any material contingent liabilities or material capital commitments, which upon becoming enforceable, may have a material impact on the profit or net asset value of the Group.

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8.6 Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets



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The Board of Directors
JobStreet Corporation Berhad
Suite C207, 2nd Floor Block 3440
Enterprise 1, Jalan Teknokrat 3
63000 Cyberjaya

Our Ref : A8/FMK/MWK/STPY

14 October 2004

Dear Sirs

Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets as at 30 June 2004

We have reviewed the presentation of the proforma consolidated balance sheets of JobStreet Corporation Berhad ("JobStreet") and its subsidiaries ("JobStreet Group") as at 30 June 2004 which have been prepared for illustrative purposes only, for which the Directors are solely responsible, as set out in the attachment, for inclusion in the Prospectus to be dated 22 October 2004 in connection with the listing of JobStreet on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

In our opinion,

- the proforma consolidated balance sheets have been properly compiled on the basis of preparation stated;
- such basis is consistent with the accounting policies of JobStreet Group; and
- the adjustments are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully

KPMG
Firm Number: AF 0758
Chartered Accountants

Siew Chin Kiang @ Seow Chin Kiang
Partner
Approval number: 2012/11/04(J)



JobStreet Corporation Berhad
(Company No. 641378-W)
(Incorporated in Malaysia)
and its subsidiaries

JobStreet Corporation Berhad
Proforma Consolidated Balance Sheets As At 30 June 2004

	Company as at 30.6.2004 RM'000	Proforma I After acquisition of JS and share split RM'000	Proforma II After Proforma I and public issue RM'000	Proforma III After Proforma II and exercise of ESOS 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	- *	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	- *	18,300	20,100	22,110
Share premium	-	227	6,647	15,491
Accumulated loss	(44)	(44)	(44)	(44)
(Deficit)/Surplus in 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)	- #	6.56	10.06	14.05
Number of ordinary shares in issue ('000)	- ^	183,000 ⁺	201,000 ⁺	221,100 ⁺

* RM 2

^ 2 ordinary shares of RM1.00 each

+ Ordinary shares of RM0.10 each

(RM22,000)



JobStreet Corporation Berhad
(Company No. 641378-W)
(Incorporated in Malaysia)
and its subsidiaries

JobStreet Corporation Berhad
Proforma Consolidated Balance Sheets As At 30 June 2004

1 Basis of preparation

- (a) The proforma consolidated balance sheets of JobStreet Group have been prepared solely for illustration purposes and are based on audited financial statements of JobStreet and JobStreet.com Pte Ltd (“JS”) and its subsidiaries (“JS Group”).

The consolidated balance sheets of JS Group are extracted from the translated audited consolidated financial statements of JS Group which are expressed in Singapore Dollar (“SGD”) for the six months financial period ended 30 June 2004 after incorporating the adjustments for the proposed restructuring of JS as explained in note 2(a) below and adjustments where applicable to align the financial statements with applicable approved accounting standards in Malaysia. The alignment with the applicable approved accounting standards in Malaysia has not given rise to any significant adjustments.

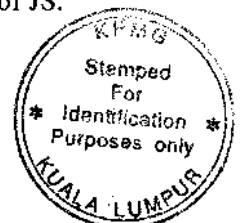
- (b) The proforma consolidated balance sheets of JobStreet Group have been prepared based on accounting policies which are consistent with those adopted in the preparation of the audited financial statements of JS Group.

2 Flotation scheme

- (a) Restructuring of JS

Prior to the acquisition of JS by JobStreet, JS undertook a restructuring scheme, which is assumed to be completed on 30 June 2004 for the purpose of the proforma consolidated balance sheets, as follows:

- (i) The conversion of 312,000 Series A and 70,377 Series B Redeemable Convertible Preference Shares (“RCPS”) of SGD0.01 each with a carrying value of SGD5,037,962 (RM11,121,330) to 3,823,770 new ordinary shares of SGD0.10 each;
- (ii) Issuance of 1,311,975 new ordinary shares of SGD0.10 each in JS in accordance with JS’s employees share option scheme to key personnel and management at an issue price of SGD0.131 per share; and
- (iii) Issuance of 807,990 new ordinary shares of SGD0.10 each in JS out of share premium account, at par through adjustment of the conversion ratio of certain qualified RCPS holders pursuant to the ratchet agreement. The purpose of the ratchet adjustment is to compensate the qualified RCPS holders on the dilution of their shareholding upon conversion of their RCPS to ordinary shares of JS.



JobStreet Corporation Berhad
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and its subsidiaries

2 Flotation scheme (continued)

(b) Acquisition of JS

Acquisition of 100% interest in the equity capital of JS (after completion of the proposed restructuring scheme of JS – see note 2(a) above) by JobStreet for a purchase consideration of RM18,527,253. The consideration was satisfied by an issue of 18,299,998 ordinary shares of JobStreet of RM1.00 each at RM1.01 (rounded to nearest sen).

The purchase consideration was arrived at based on a willing buyer willing seller basis after considering the net tangible assets of JS Group as at 31 August 2003 and fair value of intellectual properties owned by the JS Group as valued by the Directors based on a valuation by an external valuer.

(c) Share split

Sub-division of every JobStreet ordinary share of RM1.00 each into 10 ordinary shares of RM0.10 each.

(d) Public Issue

Public issue of 18,000,000 new JobStreet ordinary shares of RM0.10 each at an issue price of RM0.54 per share.

(e) Employees' Share Option Scheme ("ESOS")

In conjunction with its proposed listing, JobStreet proposes to implement an ESOS to Directors and eligible employees of JobStreet Group involving up to 10% of JobStreet's issued and paid-up share capital.

On the date of the listing of JobStreet on the MESDAQ Market, the Directors of JobStreet propose to grant up to 20,100,000 options to the Directors and eligible employees of JobStreet Group. The exercise price of the options granted on the listing date is the issue price of the Public Issue.

3 Proforma consolidated balance sheets of JobStreet Group

The proforma consolidated balance sheets of JobStreet Group incorporate on a proforma basis the following transactions on the assumption that the transactions were effected as at 30 June 2004.

Proforma I

Proforma I incorporates the acquisition of JS and the share split.



JobStreet Corporation Berhad
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3 Proforma consolidated balance sheets of JobStreet Group (continued)

Proforma II

Proforma II incorporates Proforma I, the public issue and the utilisation of listing proceeds as follows:

	RM'000
<i>Funds raised</i>	
Public issue of 18,000,000 ordinary shares of RM0.10 each at an issue price of RM0.54 per share	9,720
	=====
<i>Purpose</i>	
Capital expenditure	1,000
Working capital	7,220
Payment of listing expenses	1,500

	9,720
	=====

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 of RM0.54 per share.

4 The movement in the share capital and share premium accounts are as follows:-

	Share capital RM'000	Share premium RM'000
As at 30 June 2004	-	-
Add: Proforma I – After acquisition of JS and Share split	18,300	227
	-----	-----
	18,300	227
Add: Proforma II – After Proforma I and public issue	1,800	7,920
Less: Listing expenses	-	(1,500)
	-----	-----
	20,100	6,647
Add: Proforma III – After Proforma II and exercise of options	2,010	8,844
	-----	-----
	22,110	15,491
	=====	=====

¹ Share capital of RM2

