

**JOBSTREET CORPORATION BERHAD (“the Company”)**  
**(Company No: 641378-W)**  
**Notes on the quarterly report – 31 December 2008**

**EXPLANATORY NOTES AND ADDITIONAL INFORMATION**

**1. Basis of preparation**

This interim financial report is unaudited and has been prepared in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2007.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2007.

**2. Seasonality or cyclicity of interim operations**

In general, recruitment activities tend to slow down towards year-end and during major holidays. Typically, this results in sequentially lower results in the last quarter of the year.

**3. Unusual items**

During the quarter under review, the Group provided RM5.4 million for impairment of its investments in quoted securities which significantly impacted profitability for the quarter.

Other than the above, there were no other items or events that arose during the quarter under review, which affected assets, liabilities, equity, net income or cash flows that are unusual by reason of their nature, size or incidence.

**4. Changes in estimates**

There were no changes in the nature and amount of estimates reported that have a material effect in the quarter under review.

**5. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company during the quarter under review.

## Employee Share Option Scheme (“ESOS”)

Movements in the number of share options outstanding during the quarter under review are as follows:-

Grant No.	Date of Offer	Option Price	<i>Number of options over ordinary shares of RM0.20 each ('000)</i>				
			Balance at 1.10.2008	Granted	Exercised	Lapsed/ Forfeited	Balance at 31.12.2008
I	29.11.2004	RM0.36	9,537	-	(18)	(352)	9,167
II	23.02.2006	RM0.90	1,566	-	(15)	(345)	1,206
III	28.03.2007	RM1.08	1,351	-	(52)	(25)	1,274
IV	20.05.2008	RM1.53	2,380	-	(5)	(169)	2,206
			14,834	-	(90)	(891)	13,853

### 6. Dividends paid

The Company had on 21 November 2008 declared a tax exempt interim dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2008 amounting to RM6.217 million. The dividend was paid on 31 December 2008.

### 7. Segmental reporting

Segment information is presented in respect of the Group’s geographical segments. The primary format, geographical segments, is based on the Group’s management and internal reporting structure. A secondary format is not presented as the Group’s activities in each geographical location is similar.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise investments and related revenue, corporate assets and head office expenses, tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment other than goodwill.

Inter-segment pricing is determined on an arm’s length basis.

#### *Geographical segments*

The Group comprises the following main geographical segments:

Malaysia  
Singapore  
Philippines  
Bangladesh, Indonesia, Japan and British Virgin Islands (“Others”)

The Group also has an associate with operations in Malaysia and jointly-controlled entities in India and Thailand.

**Cumulative Quarter Ended 31/12/2008**  
**(The figures have not been audited)**

<b>Geographical segments</b>	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Philippines RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue from external customers	64,042	17,180	14,788	6,321	-	102,331
Inter-segment revenue	37,810	-	-	-	(37,810)	-
<b>Total revenue</b>	<b>101,852</b>	<b>17,180</b>	<b>14,788</b>	<b>6,321</b>	<b>(3,862)</b>	<b>102,331</b>
<b>Segment result</b>						
Results from operating activities	30,526	6,600	8,096	(266)	(247)	45,203
Finance income	791	104	451	4	-	1,350
Dividend income	33,410	27,933	-	-	(61,343)	-
Finance costs	-	-	-	(20)	-	(20)
Impairment loss on investments	(5,325)	-	-	-	-	(5,325)
Loss on disposal of an associate	(1,312)	-	-	-	-	(1,312)
Share of profit/(loss) after tax and minority interest of associates and jointly-controlled entities	298	(870)	-	-	-	(572)
Profit before taxation	58,388	33,767	8,547	(282)	(61,096)	39,324
Tax expense	(239)	(1,231)	(2,859)	(12)	-	(4,341)
<b>Profit for the period</b>	<b>58,149</b>	<b>32,536</b>	<b>5,688</b>	<b>(294)</b>	<b>(61,096)</b>	<b>34,983</b>
<b>Segment assets</b>	<b>100,849</b>	<b>19,654</b>	<b>11,204</b>	<b>3,566</b>	<b>-</b>	<b>135,273</b>
Unallocated assets					-	2,806
<b>Total assets</b>					<b>-</b>	<b>138,079</b>
<b>Segment liabilities</b>	<b>12,992</b>	<b>5,288</b>	<b>4,581</b>	<b>1,850</b>	<b>-</b>	<b>24,711</b>
Unallocated liabilities					-	2,509
<b>Total liabilities</b>					<b>-</b>	<b>27,220</b>
Capital expenditure	848	90	826	32	-	1,796
Depreciation	1,156	53	157	99	-	1,465

## Cumulative Quarter Ended 31/12/2007

<b>Geographical segments</b>	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Philippines RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue from external customers	53,815	13,861	11,903	3,500	-	83,079
Inter-segment revenue	21,820	-	-	-	(21,820)	-
<b>Total revenue</b>	<b>75,635</b>	<b>13,861</b>	<b>11,903</b>	<b>3,500</b>	<b>(21,820)</b>	<b>83,079</b>
<b>Segment result</b>						
Results from operating activities	21,757	3,964	6,621	(914)	(4)	31,424
Finance income	619	153	319	3	-	1,094
Dividend income	18,464	14,692	-	-	(33,156)	-
Finance costs	-	-	-	(8)	-	(8)
Share of profit/ (loss) after tax and minority interest of an associate and a jointly-controlled entity	1,610	(458)	-	-	-	1,152
Profit before taxation	42,450	18,351	6,940	(919)	(15,334)	33,662
Tax expense	(140)	(908)	(2,316)	(15)	-	(3,379)
<b>Profit for the period</b>	<b>42,310</b>	<b>17,443</b>	<b>4,624</b>	<b>(934)</b>	<b>(15,334)</b>	<b>30,283</b>
<b>Segment assets</b>	<b>78,367</b>	<b>19,559</b>	<b>10,694</b>	<b>3,163</b>	<b>-</b>	<b>111,783</b>
Unallocated assets						2,855
<b>Total assets</b>						<b>114,638</b>
<b>Segment liabilities</b>	<b>14,928</b>	<b>4,774</b>	<b>4,858</b>	<b>1,714</b>	<b>-</b>	<b>26,274</b>
Unallocated liabilities						1,945
<b>Total liabilities</b>						<b>28,219</b>
Capital expenditure	975	19	166	178	-	1,338
Depreciation	1,184	79	105	88	-	1,456

## **8. Subsequent events**

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements for the current quarter.

## **9. Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review except for the following:-

(a) Members' Voluntary Liquidation of Blurbme Holdings Pte. Ltd ("Blurbme")

On 1 December 2008, the Company announced that Blurbme, a 51% owned subsidiary of JobStreet.com Pte. Ltd., has been placed under Members' Voluntary Liquidation pursuant to Section 290(1)(b) of the Singapore Companies Act, Cap.50.

(b) Sale and Purchase Agreement entered into between JobStreet.com Pte Ltd ("JS"), a wholly-owned subsidiary of JCB and Teo Koon Hong

On 7 November 2008, the Company announced that JS had, on 5 November 2008, entered into a conditional Sale and Purchase Agreement with Teo Koon Hong ("TKH") in relation to the acquisition of 180,000 ordinary shares in the share capital of Enerpro Pte. Ltd ("Enerpro") from TKH for a total cash consideration of SGD279,436.85 (equivalent to RM666,177.45 based on the exchange rate as at 4 November 2008 of SGD1 : RM2.3840), which would result in the shareholding of JS in Enerpro increasing from 157,500 ordinary shares representing 42% of the total issued and paid-up share capital of Enerpro to 337,500 ordinary shares, representing 90% of the total issued and paid-up share capital of Enerpro. The acquisition was completed on 5 November 2008, resulting in Enerpro becoming a subsidiary of JS.

(c) Subscription and Shareholders Agreement entered into between JCB and Sanook Online Limited

On 30 June 2008, the Company announced that it had entered into a Subscription and Shareholders Agreement with Sanook Online Limited to jointly incorporate and register a company in Thailand ("the JV Company") to engage in the marketing and distribution of online job posting, marketing of recruitment software, career fair, career consultancy, career information services and related activities solely in Thailand. Pursuant to the agreement, JCB would subscribe 161,700 ordinary shares of Baht 100 each representing 49% of the total issued and paid-up shares capital of the JV Company for a total subscription price of Baht 16,170,000. On 6 November 2008, the Company announced that the incorporation of the JV Company in Thailand named "JobStreet (Thailand) Co., Ltd." and the subscription of shares thereof have been completed.

Other than the above, there were no changes in the composition of the Group during the quarter under review.

## **10. Changes in contingent assets and contingent liabilities**

During the previous quarter, the Company had provided a corporate guarantee for SGD 5.5 million to a financial institution for a treasury/foreign exchange facility granted to the Company's subsidiary, JobStreet.com Pte. Ltd.

Other than the above, there were no other material contingent liabilities or contingent assets as at 13 February 2009 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

## 11. Review of performance for the quarter

For the quarter ended 31 December 2008, consolidated revenue amounted to RM22.2 million, approximately RM0.9 million or 3.9% lower than the RM23.1 million revenue for the corresponding quarter in the preceding financial year. This decrease was mainly attributed to lower revenues from JobStreet SELECT (technology assisted executive search services) and JobStreet RESOURCE (provision of contract staffing) by 53.8% and 16.2% respectively. In addition, lower distribution income from the Group's investment in quoted unit trusts also contributed to the decrease in revenue. On a more positive note, one of the Group's core product, JobStreet IMPACT (career website management service) performed well and registered growth in revenues by 65.8% during the quarter. Revenue from JobStreet ESSENTIAL remained fairly consistent with a slight growth of 1.8%.

Despite lower revenues, the Group's results from operating activities of RM8.1 million represents an increase of 15.0% compared with RM7.1 million reported in the corresponding quarter in the preceding financial year. The improvement was partly attributed to higher foreign exchange gains realised and lower marketing and travelling expenses. Operating results in the 4<sup>th</sup> quarter of 2007 was also negatively impacted by impairment loss on goodwill.

During the quarter under review, the global recession affected investor sentiment across the world and caused valuations on many stock exchanges to fall. In this respect, the Group provided for impairment on its investments in quoted securities of RM5.4 million which significantly impacted profitability during the quarter. As a result, profit before tax ("PBT") during the quarter recorded a significant decrease of 60.5% to RM3.0 million compared with RM7.6 million in the corresponding quarter in 2007. After accounting for taxation, the Group registered a net profit of RM1.7 million for the quarter.

For the year ended 31 December 2008, the Group's revenue and PBT amounted to RM102.3 million and RM39.3 million respectively, or an increase of 23.1% and 16.8% respectively compared with the preceding financial year. Although the Group's core business operations in its principal markets in Malaysia, Singapore and Philippines continued to register growth in sales and profits in 2008, growth in the Group's net profit for the year suffered as a result of the provisions for impairment of investments in quoted securities, loss on disposal of an associate and net share of losses in equity accounted associates and jointly-controlled entities.

## 12. Comparison with previous quarter's results

	Q4 2008 <u>Current Quarter</u> RM'000	Q3 2008 <u>Preceding Quarter</u> RM'000
Revenue	22,234	27,590
Profit before taxation	3,001	13,212

For the current quarter under review, the Group recorded revenue of RM22.2 million representing a 19.4% decrease compared with RM27.6 million recorded in the preceding quarter. This decrease was mainly due to lower sales during the current quarter from JobStreet ESSENTIAL due to seasonality factors as well as the weak macro environment. Revenue in the preceding quarter also included dividend received from quoted investments amounting to RM1.1 million.

In terms of profitability, the lower sales from JobStreet ESSENTIAL and higher provisions for impairment on investments in quoted securities directly impacted the Group's profit before tax which declined by 77.3% compared with Quarter 3.

### 13. Prospects for the Year 2009

The current global recession will continue to affect business confidence in the region and consequently result in a slow-down in recruitment activities by our customers. This downturn will negatively impact our short-term growth and overall financial performance.

The performance of the Group for the financial year ending 31 December 2009 will depend on several factors including the extent of the impact of the global recession and severity of the downturn in economies in the region, the ability of the Group to take market share and the performance of the Group's investments.

### 14. Profit Forecast

No profit forecast was announced hence there is no comparison between actual results and forecast.

### 15. Taxation

The taxation charge for the current quarter includes the following:

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	944	564	4,376	2,830
Deferred taxation	(106)	52	(35)	550
	<u>838</u>	<u>616</u>	<u>4,341</u>	<u>3,380</u>

The effective tax rate is lower than statutory tax rate of 26% mainly due to the following:-

- (i) Tax exempt income of a subsidiary company which has been granted the Multimedia Super Corridor ("MSC") status and pioneer status for a period of 5 years commencing from 28 May 1999. The pioneer status had been renewed for another five years and will expire on 27 May 2009; and
- (ii) The effects of different tax rates in certain countries.

### 16. Unquoted Investments and/or Properties

The amount of profits/ (losses) on the sale of unquoted investments and/or properties respectively for the current quarter and financial year-to-date is as follows:-

	Individual Quarter Ended 31.12.2008	Cumulative Quarter Ended 31.12.2008
	RM'000	RM'000
Loss on disposal of an associate	-	(1,312)
	<u>                    </u>	<u>                    </u>

Other than the above, there was no sale of unquoted investments and/or properties during the financial period under review.

## 17. Quoted Investments

The Group's dealings in quoted securities during the current quarter and financial year-to-date are as follows:-

	<b>Individual Quarter Ended 31.12.2008 RM'000</b>	<b>Cumulative Quarter Ended 31.12.2008 RM'000</b>
Long term:		
Purchases		
- Shares of 104 Corporation (Taiwan)	4,756	17,928
- Shares of Recruit Holdings Limited (Hong Kong)	-	11,606
Reclassification of investment in 104 Corporation (Taiwan) from short term investments	-	5,767
Sales	-	-
Short term:		
Purchases		
- Shares of Innity Corporation Berhad	-	8,488
- Miscellaneous treasury investments	2	2,112
Reclassification of Innity Corporation Berhad to Investment in Associates	-	(8,458)
Sales	-	-
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Long term investments are stated at cost and an allowance for diminution is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of the investment, such a decline is recognised as an expense in the period in which the decline is identified.

For further information on 104 Corporation (Taiwan), Recruit Holdings Limited (Hong Kong) and Innity Corporation Berhad, please refer to the Company's announcements dated 2 April, 7 April, 10 April, 14 April, 4 July, 22 September, 9 October 2008 and 12 February 2009.

The Group's investments in quoted securities as at 31 December 2008 are summarized below:

	<b>RM'000</b>
At cost	62,263
At carrying value/book value	56,712
At market value	47,229
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Other than the above, there was no purchase or disposal of quoted securities during the financial period under review.

## 18. Status of Corporate Proposals

There are no corporate proposals announced but not completed as at 13 February 2009 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report),



## 19. Group Borrowings and Debt Securities

The Group's borrowings are unsecured, denominated in Japanese Yen and classified as follows:-

	<b>As at 31.12.2008 RM'000</b>
Current	179
Non-current	676
Total	<u>855</u>

## 20. Off Balance Sheet Financial Instruments

Call option granted to E-18 Limited ("E-18")

Pursuant to the Subscription and Shareholders' Agreement dated 10 July 2006, JobStreet.com Pte Ltd ("JobStreet Singapore") has granted an option to E-18 to require JobStreet Singapore (along with its affiliates), to sell to E-18 (or any of its affiliates) such number of ordinary shares of JobStreet.com India Pvt Limited ("JobStreet India") corresponding to 20% of the enlarged equity share capital of JobStreet India ("Option Shares") ("E-18 Call Option"). The E-18 Call Option is exercisable by E-18 at any time during the Option Period (being 3 years from the date falling 3 months after the completion of the subscription by E-18 of new ordinary shares of JobStreet India corresponding to 50% of the enlarged equity capital of the company ("the Subscription")) and may only be exercised in full.

The price payable for the Option Shares shall be:

- (i) USD3.25 million, subject to applicable taxes and statutory levies (if any), if the Call Option is exercised prior to the lapsing of 2 years from the date falling 3 months after the completion of the Subscription ("First Period"); and
- (ii) USD4 million, subject to applicable taxes and statutory levies (if any), if the Call Option is exercised after the First Period but prior to the last date of the Option Period.

Other than the above, the Group does not have any financial instrument with off balance sheet risk as at the date of this report.

## 21. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

## 22. Dividend

The Company had on 21 November 2008 declared a tax exempt interim dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2008 amounting to RM6.217 million which was paid on 31 December 2008. In respect of deposited securities, entitlement to dividends was determined on the basis of the record of depositors as at 16 December 2008. The Company declared a tax exempt interim dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2007 amounting to RM4.608 million.

The Board of Directors recommends the payment of a tax exempt final dividend of 1.5 sen per ordinary share of RM0.20 each in respect of the current financial year amounting to RM4,663,101 based on the issued and paid-up share capital as at 31 December 2008, subject to the approval of shareholders at the forthcoming annual general meeting. The dividend entitlement and payment dates will be announced at a later date. A tax exempt final dividend of 2.0 sen per ordinary share of RM0.20 each was paid for the financial year ended 31 December 2007.

## 23. Earnings Per Share

### (a) Basic earnings per share

The basic earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Net profit attributable to shareholders (RM'000)	1,703	6,709	32,824	28,886
Weighted average number of shares in issue ('000)	310,867	306,951	309,581	305,847
Basic earnings per share (sen)	0.55	2.19	10.60	9.44

### (b) Fully diluted earnings per share

The fully diluted earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of shares in issue adjusted for dilutive potential shares issueable in respect of outstanding ESOS options granted by the Company.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Net profit attributable to shareholders (RM'000)	1,703	6,709	32,824	28,886
Weighted average number of shares in issue ('000)	310,867	306,951	309,581	305,847
Adjustments for share options ('000)	7,136	12,669	8,179	12,366
	318,003	319,620	317,760	318,213
Diluted earnings per share (sen)	0.54	2.10	10.33	9.08

## 24. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 20 February 2009.