

EXPLANATORY NOTES AND ADDITIONAL INFORMATION

1. Basis of preparation

This interim financial report is unaudited and has been prepared in compliance with the Main Market 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 2010.

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 2010 except for the mandatory adoption of the following new and revised Financial Reporting (“FRS”) and Issues Committee Interpretations (“IC Int.”) effective on 1 January 2011:-

FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*

FRS 3, *Business Combinations (revised)*

FRS 127, *Consolidated and Separate Financial Statements (revised)*

Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*

Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*

Amendments to FRS 2, *Share-based Payment*

Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*

Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issue*

Amendments to FRS 138, *Intangible Assets*

Improvements to FRSs (2010)

IC Interpretation 4, *Determining whether an Arrangement contains a Lease*

IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*

Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

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

There were no 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

During the current financial year, the Company repurchased its own shares on the Bursa Malaysia Securities Berhad as follows:-

Month	Number of shares repurchased	Highest price paid per share RM	Lowest price paid per share RM	Aggregate cost paid RM
May 2011	1,000	2.99	2.99	3,034
August 2011	15,500	2.80	2.79	43,622
Total				46,656

The shares bought back are held as treasury shares. None of the treasury shares held were resold or cancelled during the current financial year.

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 1.7.2011	Granted	Exercised	Lapsed/ Forfeited	
I	29.11.2004	RM0.36	1,559	-	-	-	1,559
II	23.02.2006	RM0.90	255	-	-	-	255
III	28.03.2007	RM1.08	222	-	-	-	222
IV	20.05.2008	RM1.53	303	-	(17)	-	286
V	11.01.2010	RM1.31	11,343	-	(98)	-	11,245
			13,682	-	(115)	-	13,567

6. Dividends paid

The shareholders of the Company had on 22 June 2011 approved the payment of a final single tier dividend of 1.0 sen per ordinary share of RM0.20 each in respect of the financial year ended 31 December 2010 amounting to RM3.200 million. The dividend was subsequently paid on 15 July 2011.

The Company had on 23 August 2011 declared a second interim single tier dividend of 1.5 sen per ordinary share for the financial year ending 31 December 2011 amounting to RM4.801 million. The dividend was paid on 30 September 2011.

7. Operating segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. For each of the geographical segment, the Group’s Chief Executive Officer reviews internal management reports on at least a quarterly basis. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates) and deferred tax assets.

The Group comprises the following main geographical segments:

Malaysia
Singapore
Philippines

Other non-reportable segments comprise the location of customers of the following countries: Hong Kong, Indonesia, Japan, British Virgin Islands and India (“Others”)

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group’s Chief Executive Officer.

Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property and equipment, and intangible assets other than goodwill.

Cumulative Quarter Ended 30/9/2011

(The figures have not been audited)

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	63,801	19,233	14,958	6,253	-	104,245
Dividends	6,342	-	-	-	(4,713)	1,629
Investment distribution income	8	-	-	-	-	8
Inter-segment revenue	6,877	-	-	-	(6,877)	-
Total revenue	77,028	19,233	14,958	6,253	(11,590)	105,882
Segment result						
Results from operating activities	35,975	7,763	5,985	563	(4,713)	45,573
Finance income	298	12	502	127	-	939
Finance costs	-	-	-	(11)	-	(11)
Fair valuation of short term financial assets	155	(1,220)	-	-	-	(1,065)
Share of profit after tax and minority interest of associates and jointly-controlled entities	4,256	-	-	-	-	4,256
Profit before taxation	40,684	6,555	6,487	679	(4,713)	49,692
Tax expense	(8,340)	(1,220)	(1,807)	(5)	-	(11,372)
Profit for the period	32,344	5,335	4,680	674	(4,713)	38,320
Segment assets	174,740	25,691	26,678	8,238	-	235,347
<i>Included in the measure of segment assets are:</i>						
Investments in associates and a jointly-controlled entity	79,812	-	-	-	-	79,812
Additions to non-current assets other than financial instruments and deferred tax assets	1,125	203	64	452	-	1,844
Depreciation	877	92	183	110	-	1,262

Cumulative Quarter Ended 30/9/2010

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	54,376	16,185	12,473	3,720	-	86,754
Dividends	4,105	-	-	-	(3,073)	1,032
Investment distribution income	7	-	-	-	-	7
Inter-segment revenue	4,203	-	-	-	(4,203)	-
Total revenue	62,691	16,185	12,473	3,720	(7,276)	87,793
Segment result						
Results from operating activities	30,929	6,275	5,488	256	(3,073)	39,875
Finance income	375	4	328	39	-	746
Finance costs	-	-	-	(11)	-	(11)
Fair valuation of short term financial assets	47	-	-	-	-	47
Dividend income	-	4,487	-	-	(4,487)	-
Share of profit/(loss) after tax and minority interest of associates and a jointly-controlled entity	2,661	(59)	-	-	-	2,602
Profit before taxation	34,012	10,707	5,816	284	(7,560)	43,259
Tax expense	(8,675)	(1,671)	(1,654)	(5)	-	(12,005)
Profit for the period	25,337	9,036	4,162	279	(7,560)	31,254
Segment assets	148,248	18,784	16,265	5,516	-	188,813
<i>Included in the measure of segment assets are:</i>						
Investments in associates and jointly-controlled entity	64,389	-	-	-	-	64,389
Additions to non-current assets other than financial instruments and deferred tax assets	1,113	191	77	45	-	1,426
Depreciation	701	43	189	95	-	1,028

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.

10. Changes in contingent assets and contingent liabilities

In 2008, 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 wholly-owned subsidiary, JobStreet.com Pte. Ltd.

Other than the above, there were no other material contingent liabilities or contingent assets as at 8 November 2011 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

11. Capital Commitments

	As at 30.9.2011 RM’000
Property and equipment	
Contracted but not provided for:	
Within one year	659
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12. Review of performance for the quarter

For the quarter ended 30 September 2011, consolidated revenue amounted to RM36.0 million, approximately RM5.6 million or 18.4% higher than the RM30.4 million recorded in the corresponding quarter in the preceding financial year. The increase was mainly due to higher sales reflecting higher recruitment activities.

Results from operating activities rose by 13.6% in tandem with the higher revenues. Operating expenses increased by 23.6% mainly due to higher staff costs and marketing expenses. On a pre-tax basis, the Group’s profit before taxation (“PBT”) recorded growth of 6.6% to RM15.8 million compared with RM14.9 million reported in the corresponding quarter in the preceding financial year. During the current quarter, the fair value of the Group’s investments in quoted securities decreased by RM1.2 million which negatively impacted profitability.

The Group’s profit after taxation (“PAT”) increased by 19.0% to RM12.2 million compared with RM10.3 million reported in the corresponding quarter in 2010. Effective tax rate was lower compared with the corresponding quarter in 2010.

13. Comparison with previous quarter's results

	Q3 2011 <u>Current Quarter</u> RM'000	Q2 2011 <u>Preceding Quarter</u> RM'000
Revenue	36,030	36,226
Profit before taxation	15,849	17,706

In terms of profitability, PBT in the current quarter contracted by 10.5% mainly due to a decrease in the fair value of the Group's other investments with the financial loss recognised in profit or loss.

14. Prospects for the Year 2011

Looking forward, the demand for recruitment advertising services remains solid although the rate of growth could possibly slow down given global economic uncertainties. The Group will focus on sustaining the growth of long-term shareholder value. The performance of the Group for the financial year ending 31 December 2011 is expected to be satisfactory, with the outcome dependent on sustained economic growth, the ability of the Group to perform under an increasingly competitive environment and the performance of its financial investments.

15. Profit Forecast

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

16. Taxation

The taxation charge for the current quarter includes the following:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	3,793	4,692	11,562	12,146
Deferred taxation	(176)	(108)	(190)	(141)
	<u>3,617</u>	<u>4,584</u>	<u>11,372</u>	<u>12,005</u>

The effective tax rate is lower than statutory tax rate of 25% mainly due to the effects of different tax rates in certain countries.

17. Unquoted Investments and/or Properties

There was no disposal of unquoted investments or properties during the financial period under review.

18. Quoted Investments

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

	Individual Quarter Ended 30.9.2011 RM’000	Cumulative Quarter Ended 30.9.2011 RM’000
Quoted securities of associate companies		
Share of results and changes in equity in associates; and exchange differences	(3,374)	(1,256)
Long term:		
Purchase consideration	388	388
Changes in fair value	(9,178)	(604)
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Short term:		
Purchase consideration	829	12,693
Changes in fair value	(1,168)	(1,065)
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The Group’s available-for-sale investments in quoted securities, investments in the quoted securities of associate companies and other short term investments in quoted securities as at 30 September 2011 are summarized below:

	RM’000
At cost	123,995
At carrying value/book value	130,525
At market value	120,084
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Other than the above, there was no purchase or disposal of quoted securities during the financial period under review.

19. Status of Corporate Proposals

(a) Proposed acquisition of additional ordinary shares in 104 Corporation (Taiwan)

At the Extraordinary General Meeting held on 6 January 2010, the Company’s shareholders approved the following proposals:-

- (i) Proposed acquisition of additional ordinary shares of TWD 10 each in 104 Corp from the open market of the Taiwan Stock Exchange (“Proposed Acquisition”);
- (ii) Proposed amendments to the existing Bye-Laws of the ESOS of the Company; and
- (iii) Proposed allocation of ESOS options to directors

The Proposed Acquisition is expected to be completed by 31 December 2011.

(b) Proposed disposal of ordinary shares in JS E-Recruitment Ltd

The Company had on 24 June 2009 entered into a Share Sale Agreement (the “SSA”) with Daffodil Computers Limited, a company incorporated in Bangladesh with its registered office at 64/3 Lake Circus, Kelabagan, Dhaka 1205, Bangladesh (“Daffodil”) for the disposal of 60,000 ordinary shares of BDT 10 each in the share capital of JS E-Recruitment Ltd. (“JSE”) to Daffodil, representing 60% equity interest in the issued and paid-up share capital of JSE for a total cash consideration of USD1.00 (equivalent to RM3.549 based on the exchange rate as at 23 June 2009 of USD1:RM3.549) (“Proposed Disposal”).

20. Group Borrowings and Debt Securities

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

	As at 30.9.2011 RM’000
Current	173
Non-current	274
Total	<hr/> <hr/> 447

21. Off Balance Sheet Financial Instruments

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

22. 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.

23. Dividend

The Company had on 15 November 2011 declared the third interim single tier dividend of 1.75 sen per ordinary share of RM0.20 each for the financial year ending 31 December 2011 amounting to RM5.601 million computed based on the issued and paid-up share capital (excluding treasury shares) as at 8 November 2011. The dividend entitlement date and payment dates will be announced at a later date.

During the previous corresponding period, the Company declared a third interim single tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2010 amounting to RM4.743 million. The interim single tier dividend of 1.75 sen per share for the current quarter is in line with the financial performance of the Group.

24. Earnings Per Share

(a) Basic earnings per share

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Net profit attributable to shareholders (RM’000)	11,560	9,646	36,206	29,453
Weighted average number of shares in issue (‘000)	320,007	315,633	318,157	314,698
Basic earnings per share (sen)	3.61	3.06	11.38	9.36

(b) Fully diluted earnings per share

The fully diluted earnings per share is calculated by dividing the net profit attributable to owners 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	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
Net profit attributable to shareholders (RM’000)	11,560	9,646	36,206	29,453
Weighted average number of shares in issue (‘000)	320,007	315,633	318,157	314,698
Adjustments for share options (‘000)	7,742	9,338	7,784	8,505
	327,749	324,971	325,941	323,203
Diluted earnings per share (sen)	3.53	2.97	11.11	9.11

25. Realised and unrealised profits/losses

	Group As at 30.9.2011	Group As at 31.12.2010
Total retained profits of the Company and its subsidiaries:		
- Realised	94,484,858	72,648,905
- Unrealised	2,222,571	3,354,456
Total share of retained profits from associated companies:		
- Realised	5,991,107	1,090,403
- Unrealised	(78,469)	38,000
Total share of accumulated losses from jointly-controlled entities:		
- Realised	(1,520,467)	(992,511)
- Unrealised	-	-
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	101,099,600	76,139,253
Add: Consolidation adjustments	3,181,818	9,493,918
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Total retained profits	104,281,418	85,633,171
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26. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 15 November 2011.