

JOBSTREET CORPORATION BERHAD (“the Company”)
(Company No: 641378-W)
Notes on the quarterly report – 31 March 2009

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 2008.

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 2008.

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 price paid RM
March 2009	46,500	1.00	0.99	46,545
Total				<hr/> <hr/> 46,545

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 1.1.2009	Granted	Exercised	Lapsed/ Forfeited	Balance at 31.3.2009
I	29.11.2004	RM0.36	8,954	-	-	-	8,954
II	23.02.2006	RM0.90	1,218	-	-	-	1,218
III	28.03.2007	RM1.08	1,273	-	-	-	1,273
IV	20.05.2008	RM1.53	2,205	-	-	(45)	2,160
			13,650	-	-	(45)	13,605

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company during the current financial year.

6. Dividends paid

No dividend was paid during the quarter.

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 comprise mainly goodwill 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, Hong Kong, 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 31/3/2009
(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	13,915	3,275	3,707	855	-	21,752
Inter-segment revenue	1,095	-	-	-	(1,095)	-
Total revenue	15,010	3,275	3,707	855	(1,095)	21,752
Segment result						
Results from operating activities	4,447	694	1,858	(345)	-	6,654
Finance income	134	5	137	1	-	277
Finance costs	-	-	-	(5)	-	(5)
Share of loss after tax and minority interest of associates and jointly-controlled entities	(160)	(21)	-	-	-	(181)
Profit before taxation	4,421	678	1,995	(349)	-	6,745
Tax expense	(50)	(149)	(526)	(2)	-	(727)
Profit for the period	4,371	529	1,469	(351)	-	6,018
Segment assets	106,453	17,865	13,955	3,161	-	141,434
Unallocated assets						2,787
Total assets						144,221
Segment liabilities	11,117	5,599	5,846	1,680	-	24,242
Unallocated liabilities						3,094
Total liabilities						27,336
Capital expenditure	81	-	114	-	-	195
Depreciation	268	13	62	23	-	366

Cumulative Quarter Ended 31/3/2008

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	15,707	3,968	3,945	1,639	-	25,259
Inter-segment revenue	774	-	-	-	(774)	-
Total revenue	16,481	3,968	3,945	1,639	(774)	25,259
Segment result						
Results from operating activities	7,794	1,797	2,301	73	-	11,965
Finance income	206	36	121	1	-	364
Finance costs	-	-	-	(5)	-	(5)
Share of profit/ (loss) after tax and minority interest of associates and a jointly-controlled entity	186	(205)	-	-	-	(19)
Profit before taxation	8,186	1,628	2,422	69	-	12,305
Tax expense	(63)	(321)	(741)	-	-	(1,125)
Profit for the period	8,123	1,307	1,681	69	-	11,180
Segment assets	88,311	17,752	12,429	3,527	-	122,019
Unallocated assets					-	2,870
Total assets					-	124,889
Segment liabilities	11,605	5,279	5,768	1,919	-	24,571
Unallocated liabilities					-	2,848
Total liabilities					-	27,419
Capital expenditure	226	-	32	14	-	272
Depreciation	294	14	16	24	-	348

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) Sale and Purchase Agreement entered into between JobStreet.com Pte Ltd (“JS”), a wholly-owned subsidiary of JCB and Lim Teck Vee

In March 2009, JobStreet.com Pte Ltd had entered into a Sale and Purchase Agreement with Mr Lim Teck Vee (“Mr Lim”) in relation to the acquisition of the remaining 37,500 ordinary shares in the share capital of Enerpro Pte Ltd (“Enerpro”) for a total cash consideration of SGD45,610 (equivalent to RM109,300 based on the exchange rate of SGD1:RM2.3964). The transaction was completed on 2 March 2009. With the completion of the acquisition, Enerpro became a wholly-owned subsidiary of the Group.

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 financial year, 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 7 May 2009 (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 31.3.2009 RM’000
Investment in a jointly-controlled entity	
Contracted but not provided for and payable:	
Within one year	1,139
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12. Review of performance for the quarter

For the quarter ended 31 March 2009, consolidated revenue amounted to RM21.8 million, approximately RM3.5 million or 13.9% lower than the RM25.3 million revenue for the corresponding quarter in the preceding financial year. This decrease was mainly attributed to the impact of the current economic downturn on the Group’s core products, namely JobStreet ESSENTIAL (online job posting service) and JobStreet SELECT (technology assisted executive search services) which contracted by 24.4% and 66.7% respectively. The decline in revenue from JobStreet ESSENTIAL and JobStreet SELECT was partially offset by higher revenue from JobStreet RESOURCE (staffing services) and a job fair held in early 2009.

The significant fall in sales especially from JobStreet ESSENTIAL coupled with higher advertising costs, office rental expenses and higher share of losses from the Group’s investment in Innity Corporation Berhad and JobStreet (Thailand) Co. Ltd. had adversely impacted the Group’s profitability during the current quarter which recorded a decrease of 45.2% on a pre-tax basis.

13. Comparison with previous quarter's results

	Q1 2009 <u>Current Quarter</u> RM'000	Q4 2008 <u>Preceding Quarter</u> RM'000
Revenue	21,752	22,234
Profit before taxation	6,745	3,001

For the current quarter under review, the Group recorded revenue of RM21.8 million representing a 2.2% decrease compared with RM22.2 million recorded in the preceding quarter. This decrease was mainly due to lower sales from JobStreet ESSENTIAL and JobStreet IMPACT, reflecting the weak macro economic environment which continued into the current quarter, as well as seasonality factors. The Group co-organized a job fair held in Malaysia in early 2009 which contributed back approximately RM0.9 million in revenues.

In terms of profitability, profit before tax for the current quarter grew by 124.8% due to the impact of non-recurring allowance for diminution in value of investments and impairment loss on an investment in an associate amounting to RM5.4 million which was taken up in the previous quarter. Excluding the impact of the RM5.4 million allowance and impairment, profit before tax during the current quarter had in fact decreased by 19.7% compared with the previous quarter's adjusted profit before tax, which is in line with the lower revenues from JobStreet ESSENTIAL and JobStreet IMPACT.

14. Prospects for the Year 2009

The current global recession will continue to adversely affect business confidence in the region and consequently cause a slow-down in the recruitment activities of our customers. Given the current economic situation, it is highly unlikely that the Group will be able to report sales or profit growth in 2009.

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.

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 and Cumulative Quarter Ended	
	31.3.2009	31.3.2008
	RM'000	RM'000
Estimated current tax payable	696	1,151
Deferred taxation	31	(26)
	<hr/>	<hr/>
	727	1,125

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.

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 and Cumulative Quarter Ended 31.3.2009 RM’000
Long term:	
Purchase consideration	4,403

Short term:	
Purchase consideration	2
Sale proceeds	8,000
Profit on disposal of quoted securities	50

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.

The Group’s long term investments in quoted securities (including an associate company) and other short term investments in quoted securities as at 31 March 2009 are summarized below:

	RM’000
At cost	58,612
At carrying value/book value	53,264
At market value	46,569

Other than the above, there was no purchase or disposal of quoted securities during the financial period under review.

19. Status of Corporate Proposals

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

20. Group Borrowings and Debt Securities

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

	As at 31.3.2009 RM'000
Current	174
Non-current	619
Total	<u>793</u>

21. 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"). This Call Option expired on 17 February 2009; 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. This Call Option expires on 17 February 2010.

Other than the above, 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

No dividend has been proposed or declared during the current quarter.

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 shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual and Cumulative Quarter Ended	
	31.3.2009	31.3.2008
Net profit attributable to shareholders (RM'000)	5,595	10,454
Weighted average number of shares in issue ('000)	310,864	307,210
Basic earnings per share (sen)	1.80	3.40

(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 and Cumulative Quarter Ended	
	31.3.2009	31.3.2008
Net profit attributable to shareholders (RM'000)	5,595	10,454
Weighted average number of shares in issue ('000)	310,864	307,210
Adjustments for share options ('000)	5,918	11,350
	316,782	318,560
Diluted earnings per share (sen)	1.77	3.28

25. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 14 May 2009.