

JOBSTREET CORPORATION BERHAD (“the Company”)
(Company No: 641378-W)
Notes on the quarterly report – 30 June 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
April 2009	415,500	1.05	0.97	419,620
May 2009	79,400	1.09	1.09	87,178
Total				<hr/> <hr/> 553,343

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 1.4.2009	Granted	Exercised	Lapsed/ Forfeited	Balance at 30.6.2009
I	29.11.2004	RM0.36	8,954	-	(1,554)	(7)	7,393
II	23.02.2006	RM0.90	1,218	-	(114)	(51)	1,053
III	28.03.2007	RM1.08	1,273	-	-	(40)	1,233
IV	20.05.2008	RM1.53	2,160	-	-	(85)	2,075
			13,605	-	(1,668)	(183)	11,754

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

The shareholders of the Company had on 29 May 2009 approved the payment of a tax exempt final dividend of 1.5 sen per ordinary share of RM0.20 each in respect of the financial year ended 31 December 2008 amounting to RM4.675 million. The dividend was subsequently paid on 17 June 2009.

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 30/6/2009
(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	29,583	6,959	6,437	1,665	-	44,644
Inter-segment revenue	2,190	-	-	-	(2,190)	-
Total revenue	31,773	6,959	6,437	1,665	(2,190)	44,644
Segment result						
Results from operating activities	11,513	1,723	2,650	(362)	-	15,524
Finance income	278	15	211	4	-	508
Finance costs	-	-	-	(10)	-	(10)
Reversal of diminution in value of quoted investments	22	-	-	-	-	22
Dividend income	-	275	-	-	(275)	-
Share of loss after tax and minority interest of associates and jointly-controlled entities	(408)	(74)	-	-	-	(482)
Profit before taxation	11,405	1,939	2,861	(368)	(275)	15,562
Tax expense	(909)	(324)	(769)	(3)	-	(2,005)
Profit for the period	10,496	1,615	2,092	(371)	(275)	13,557
Segment assets	108,745	15,454	13,490	3,123	-	140,812
Unallocated assets						2,792
Total assets						143,604
Segment liabilities	10,258	4,548	5,722	1,723	-	22,251
Unallocated liabilities						1,426
Total liabilities						23,677
Capital expenditure	197	21	117	36	-	371
Depreciation	516	26	121	52	-	715

Cumulative Quarter Ended 30/6/2008

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	32,665	8,762	7,869	3,211	-	52,507
Inter-segment revenue	2,402	-	-	-	(2,402)	-
Total revenue	35,067	8,762	7,869	3,211	(2,402)	52,507
Segment result						
Results from operating activities	15,934	3,670	4,314	147	-	24,065
Finance income	450	52	214	2	-	718
Finance costs	-	-	-	(10)	-	(10)
Allowance for diminution in value of quoted investments	(116)	-	-	-	-	(116)
Loss on disposal of an associate	(1,312)	-	-	-	-	(1,312)
Share of profit/ (loss) after tax and minority interest of associates and a jointly-controlled entity	281	(515)	-	-	-	(234)
Profit before taxation	15,237	3,207	4,528	139	-	23,111
Tax expense	(132)	(670)	(1,552)	-	-	(2,354)
Profit for the period	15,105	2,537	2,976	139	-	20,757
Segment assets	97,706	20,218	11,711	3,562	-	133,197
Unallocated assets					-	2,888
Total assets					-	136,085
Segment liabilities	17,793	5,769	4,738	1,900	-	30,200
Unallocated liabilities					-	2,026
Total liabilities					-	32,226
Capital expenditure	422	1	395	33	-	851
Depreciation	590	28	42	50	-	710

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

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 11 August 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 30.6.2009 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 30 June 2009, consolidated revenue amounted to RM22.9 million, approximately RM4.3 million or 16.0% lower than the RM27.2 million revenue for the corresponding quarter in the preceding financial year. This decrease reflects the impact of the current economic downturn on overall business confidence and the resulting slow-down in recruitment activities across most sectors. This had detrimentally pulled down revenues for the Group's core product, JobStreet ESSENTIAL (online job posting service) which contracted by 26.4% quarter on quarter. On a positive note, the Group's other core product, JobStreet IMPACT (career website management service) performed well and registered growth in revenues by 129.4%. The decline in sales was partially offset by dividend income amounting to RM0.7 million attributed from the Company's quoted investments in Hong Kong and Singapore.

In terms of profitability, the Group reported a profit before taxation ("PBT") of RM8.8 million compared with RM10.8 million reported in the corresponding quarter in the preceding financial year. During the second quarter of 2008, the Group recorded a loss on disposal of an associate amounting to RM1.3 million. Excluding the effect of this non-recurring loss, PBT for the current period under review represented a decrease of 27.2% compared with the corresponding quarter in 2008. The decrease was mainly due to lower revenue compounded by higher advertising costs and office rental expenses. However, the decrease was partially offset by lower commissions, bonus provisions and ESOS expense.

On an after-tax basis, the Group's profit after taxation ("PAT") of RM7.5 million has decreased by 21.3% compared to the RM9.6 million reported in the corresponding quarter in 2008. The higher contraction in PAT compared to PBT is mainly due to the expiry of pioneer tax-exemption status of a subsidiary effective from 27 May 2009.

13. Comparison with previous quarter's results

	Q2 2009 <u>Current Quarter</u> RM'000	Q1 2009 <u>Preceding Quarter</u> RM'000
Revenue	22,892	21,752
Profit before taxation	8,817	6,745

For the current quarter under review, the Group recorded revenue of RM22.9 million representing a 5.2% increase compared with RM21.8 million recorded in the preceding quarter. This increase was mainly due to higher sales from JobStreet ESSENTIAL and JobStreet IMPACT coupled with the dividend received from quoted investments. However, the higher sales from these products were offset by lower revenue from JobStreet RESOURCE (contract staffing services).

In terms of profitability, higher gross profit margin due to higher revenue contribution from JobStreet ESSENTIAL, JobStreet IMPACT and dividend income from quoted investments resulted in an increase in PBT by 30.7% to RM8.9 million compared to RM6.8 million in the previous quarter.

14. Prospects for the Year 2009

The current global recession will continue to adversely affect business confidence in the region and at the mid point of 2009, it is evident that the global recession has resulted in a slow-down in the recruitment activities of our customers. 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. The Group will endeavour to strengthen its presence in the region including building up its jobseeker database during this period.

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	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	1,284	1,251	1,980	2,402
Deferred taxation	(6)	(22)	25	(48)
	<u>1,278</u>	<u>1,229</u>	<u>2,005</u>	<u>2,354</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 expired on 27 May 2009 after an extended period of 5 years had lapsed.
- (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 Quarter Ended 30.6.2009 RM'000	Cumulative Quarter Ended 30.6.2009 RM'000
Long term:		
Purchase consideration	4,455	8,858
Short term:		
Purchase consideration	2	4
Sale proceeds	1,735	9,735
Profit/(loss) on disposal of quoted securities	(17)	33

Quoted securities acquired during the current quarter under review which are classified as long term investments included quoted shares in 104 Corporation (Taiwan).

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 30 June 2009 are summarized below:

	RM'000
At cost	61,102
At carrying value/book value	55,912
At market value	50,784

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

19. Status of Corporate Proposals

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"). The Proposed Disposal is estimated to be completed in September 2009.

20. Group Borrowings and Debt Securities

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

	As at 30.6.2009 RM'000
Current	153
Non-current	587
Total	<u>740</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

On 20 February 2009, the Board of Directors of the Company had recommended the payment of a tax exempt final dividend of 1.5 sen per ordinary share of RM0.20 each in respect of the financial year ended 31 December 2008 amounting to RM4.675 million which was subsequently paid on 17 June 2009 following the approval of shareholders at the annual general meeting. In respect of deposited securities, entitlement to dividends was determined on the basis of the record of depositors as at 1 June 2009. With this, the total dividend for the financial year ended 31 December 2008 is 3.5 sen per share. During the previous corresponding period, the Company declared a tax exempt final dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2007 amounting to RM6.216 million for a total dividend of 3.5 sen per share for that financial year.

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 Quarter Ended		Cumulative Quarter Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Net profit attributable to shareholders (RM'000)	7,294	9,055	12,889	19,509
Weighted average number of shares in issue ('000)	311,580	309,434	311,224	308,328
Basic earnings per share (sen)	2.34	2.93	4.14	6.33

(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	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Net profit attributable to shareholders (RM'000)	7,294	9,055	12,889	19,509
Weighted average number of shares in issue ('000)	311,580	309,434	311,224	308,328
Adjustments for share options ('000)	4,448	9,092	4,640	9,025
	316,028	318,526	315,864	317,353
Diluted earnings per share (sen)	2.31	2.84	4.08	6.15

25. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 18 August 2009.