

JOBSTREET CORPORATION BERHAD (“the Company”)
(Company No: 641378-W)
Notes on the quarterly report – 30 September 2009

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 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
July 2009	64,000	1.20	1.15	75,472
August 2009	162,500	1.26	1.20	201,002
September 2009	1,239,900	1.30	1.22	1,574,660
Total				<u>2,404,477</u>

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 1.7.2009	Granted	Exercised	Lapsed/ Forfeited	Balance at 30.9.2009
I	29.11.2004	RM0.36	7,393	-	-	-	7,393
II	23.02.2006	RM0.90	1,053	-	-	(19)	1,034
III	28.03.2007	RM1.08	1,233	-	-	(25)	1,208
IV	20.05.2008	RM1.53	2,075	-	-	(82)	1,993
			11,754	-	-	(126)	11,628

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 dividends were 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 30/9/2009
(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	46,127	11,268	9,422	2,366	-	69,183
Inter-segment revenue	3,284	-	-	-	(3,284)	-
Total revenue	49,411	11,268	9,422	2,366	(3,284)	69,183
Segment result						
Results from operating activities	19,337	3,299	3,717	(438)	-	25,915
Finance income	431	23	303	6	-	763
Finance costs	-	-	-	(14)	-	(14)
Reversal of diminution in value of quoted investments	36	-	-	-	-	36
Gain on disposal of a subsidiary	66	-	-	-	-	66
Dividend income	-	275	-	-	(275)	-
Share of loss after tax and minority interest of associates and jointly-controlled entities	(600)	(153)	-	-	-	(753)
Profit before taxation	19,270	3,444	4,020	(446)	(275)	26,013
Tax expense	(2,830)	(609)	(1,085)	(5)	-	(4,529)
Profit for the period	16,440	2,835	2,935	(451)	(275)	21,484
Segment assets	118,968	12,889	15,049	2,889	-	149,795
Unallocated assets						2,788
Total assets						152,583
Segment liabilities	11,864	4,427	5,815	1,548	-	23,654
Unallocated liabilities						2,724
Total liabilities						26,378
Capital expenditure	377	22	117	59	-	575
Depreciation	736	40	185	73	-	1,034

Cumulative Quarter Ended 30/9/2008

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	49,985	13,460	11,717	4,934	-	80,096
Inter-segment revenue	3,862	-	-	-	(3,862)	-
Total revenue	53,847	13,460	11,717	4,934	(3,862)	80,096
Segment result						
Results from operating activities	25,327	5,584	5,967	212	-	37,090
Finance income	597	71	318	4	-	990
Dividend income	-	1,694	-	-	(1,694)	-
Finance costs	-	-	-	(14)	-	(14)
Reversal of diminution in value of quoted investments	38	-	-	-	-	38
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	319	(789)	-	-	-	(470)
Profit before taxation	24,969	6,560	6,285	202	(1,694)	36,322
Tax expense	(165)	(1,064)	(2,179)	(95)	-	(3,503)
Profit for the period	24,804	5,496	4,106	107	(1,694)	32,819
Segment assets	101,128	24,481	12,330	3,636	-	141,575
Unallocated assets					-	2,769
Total assets					-	144,344
Segment liabilities	12,639	5,944	6,496	1,751	-	26,830
Unallocated liabilities					-	2,372
Total liabilities					-	29,202
Capital expenditure	642	61	586	34	-	1,323
Depreciation	880	40	84	76	-	1,080

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

On 24 June 2009, the Company 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 Company had deconsolidated JSE from its consolidated balance sheet as at 1 July 2009 as the JobStreet Bangladesh website has been discontinued. The Proposed Disposal is expected to be completed by 31 March 2010.

On 25 September 2009, the Company incorporated a wholly-owned subsidiary known as Agensi Pekerjaan JS Staffing Services Sdn Bhd (“APJSSS”). APJSSS has an authorized share capital of RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. Its intended principal activities include providing temporary and contract staffing services, business process outsourcing services and consultancy services.

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

Other than the above, there were no other material contingent liabilities or contingent assets as at 10 November 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 30.9.2009 RM’000
Investment in a jointly-controlled entity	
Contracted but not provided for and payable:	
Within one year	1,139
	=====

12. Review of performance for the quarter

For the quarter ended 30 September 2009, consolidated revenue amounted to RM24.5 million, approximately RM3.1 million or 11.1% lower than the RM27.6 million revenue for the corresponding quarter in the preceding financial year. In terms of products, revenue from the Group’s core product, JobStreet ESSENTIAL (online job posting service) and JobStreet IMPACT (career website management service) contracted by 14.8% and 49.1% year on year. Although there are some indications of a rise in business confidence, the resumption of recruitment activities typically lags behind the general economic recovery. The decline in revenue from JobStreet ESSENTIAL and JobStreet IMPACT was partially offset by higher dividend income amounting to RM1.5 million attributed from the Company’s quoted

investments in Hong Kong and Taiwan compared with dividend income of RM1.1 million received in the corresponding quarter in 2008.

In terms of profitability, the Group reported a profit before taxation (“PBT”) of RM10.5 million compared with RM13.2 million reported in the corresponding quarter in the preceding financial year. The decrease was directly attributable to the lower sales from JobStreet ESSENTIAL and JobStreet IMPACT with a partial offset from lower bonus provisions and ESOS expense.

On an after-tax basis, the Group’s profit after taxation (“PAT”) of RM7.9 million has decreased by 34.3% compared to the RM12.1 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

	Q3 2009 <u>Current Quarter</u> RM'000	Q2 2009 <u>Preceding Quarter</u> RM'000
Revenue	24,539	22,892
Profit before taxation	10,451	8,817

For the current quarter under review, the Group recorded revenue of RM24.5 million representing a 7.2% increase compared with RM22.9 million recorded in the preceding quarter. This increase was mainly due to higher sales from JobStreet ESSENTIAL coupled with the dividends received from the Group’s quoted investments in Hong Kong and Taiwan. The current quarter marks the second consecutive quarter since Quarter 1, 2009 where the Group recorded growth in both revenue and PBT.

In terms of profitability, the higher gross profit margin due to higher revenue contribution from JobStreet ESSENTIAL and dividend income from quoted investments resulted in an increase in PBT by 18.5% to RM10.5 million compared to RM8.9 million in the previous quarter.

14. Prospects for the Year 2009

The current global recession has adversely affected business confidence in the region resulting 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 timing and extent of any recovery in the economies of 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 its jobseeker database.

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	
	30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
Estimated current tax payable	2,383	1,030	4,363	3,432
Deferred taxation	141	119	166	71
	<u>2,524</u>	<u>1,149</u>	<u>4,529</u>	<u>3,503</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 30.9.2009	Cumulative Quarter Ended 30.9.2009
	RM'000	RM'000
Long term:		
Purchase consideration	15,921	24,779
Short term:		
Purchase consideration	4	8
Sale proceeds	-	9,735
Profit/(loss) on disposal of quoted securities	-	33

Quoted securities acquired during the current quarter under review which are classified as long term investments comprise of 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 September 2009 are summarized below:

	RM'000
At cost	77,040
At carrying value/book value	71,864
At market value	70,979

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 expected to be completed by 31 March 2010.

20. Group Borrowings and Debt Securities

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

	As at 30.9.2009 RM'000
Current	161
Non-current	576
Total	<u>737</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

The Company had on 17 November 2009 declared a tax exempt interim dividend of 1.5 sen per ordinary share for the financial year ending 31 December 2009 amounting to RM4.655 million computed based on the issued and paid-up share capital (excluding treasury shares) as at 10 November 2009. The dividend will be paid on 31 December 2009. In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 10 December 2009.

During the previous corresponding period, the Company declared a tax exempt interim dividend of 2.0 sen per ordinary shares for the financial year ended 31 December 2008 amounting to RM6.217 million. The tax exempt interim dividend of 1.5 sen per share for the current quarter is in line with the financial performance of the Group and the dividend policy of the Company.

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	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Net profit attributable to shareholders (RM'000)	7,622	11,613	20,510	31,121
Weighted average number of shares in issue ('000)	311,641	310,784	311,365	309,156
Basic earnings per share (sen)	2.45	3.74	6.59	10.07

(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	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Net profit attributable to shareholders (RM'000)	7,622	11,613	20,510	31,121
Weighted average number of shares in issue ('000)	311,641	310,784	311,365	309,156
Adjustments for share options ('000)	5,066	8,881	4,783	8,985
	316,707	319,665	316,148	318,141
Diluted earnings per share (sen)	2.41	3.63	6.49	9.78

25. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 17 November 2009.