

JOBSTREET CORPORATION BERHAD (“the Company”)
(Company No: 641378-W)
Notes on the quarterly report – 31 December 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
October 2009	178,900	1.30	1.29	234,227
November 2009	1,000	1.40	1.40	1,442
Total				<u>2,640,146</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 1.10.2009	Granted	Exercised	Lapsed/ Forfeited	Balance at 31.12.2009
I	29.11.2004	RM0.36	7,393	-	(1,778)	(83)	5,532
II	23.02.2006	RM0.90	1,034	-	(399)	(9)	626
III	28.03.2007	RM1.08	1,208	-	(223)	-	985
IV	20.05.2008	RM1.53	1,993	-	-	(243)	1,750
			11,628	-	(2,400)	(335)	8,893

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 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 RM4.691 million. The dividend was paid on 31 December 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 31/12/2009
(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	60,712	15,608	12,911	3,110	-	92,341
Inter-segment revenue	33,012	-	-	-	(33,012)	-
Total revenue	93,724	15,608	12,911	3,110	(33,012)	92,341
Segment result						
Results from operating activities	26,291	3,931	5,955	(607)	-	35,570
Finance income	535	32	416	9	-	992
Finance costs	-	-	-	(19)	-	(19)
(Allowance)/Reversal of diminution in value of quoted investments	588	-	-	-	178	766
Impairment losses on investments	(700)	-	-	-	-	(700)
Gain on disposal of a subsidiary	66	-	-	-	-	66
Dividend income	28,069	25,275	-	-	(53,344)	-
Share of loss after tax and minority interest of associates and jointly-controlled entities	(732)	(225)	-	-	-	(957)
Profit before taxation	54,117	29,013	6,371	(617)	(53,166)	35,718
Tax expense	(4,861)	(709)	(1,787)	(21)	-	(7,378)
Profit for the period	49,256	28,304	4,584	(638)	(53,166)	28,340
Segment assets	124,798	9,119	16,645	2,400	-	152,962
Unallocated assets						2,786
Total assets						155,748
Segment liabilities	13,086	4,696	4,856	1,658	-	24,296
Unallocated liabilities						2,108
Total liabilities						26,404
Capital expenditure	630	22	162	103	-	917
Depreciation	960	52	245	97	-	1,354

Cumulative Quarter Ended 31/12/2008

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	64,042	17,180	14,788	6,321	-	102,331
Inter-segment revenue	37,790	-	-	-	(37,790)	-
Total revenue	101,832	17,180	14,788	6,321	(37,790)	102,331
Segment result						
Results from operating activities	30,914	7,032	8,099	(246)	(3)	45,796
Finance income	791	104	451	4	-	1,350
Dividend income	33,410	27,933	-	-	(61,343)	-
Finance costs	-	-	-	(19)	-	(19)
(Allowance)/Reversal of diminution in value of quoted investments	(1,925)	-	-	-	-	(1,925)
Impairment losses on investments	(3,647)	-	-	-	247	(3,400)
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	298	(870)	-	-	-	(572)
Profit before taxation	58,529	34,199	8,550	(261)	(61,099)	39,918
Tax expense	(400)	(1,671)	(2,860)	(12)	-	(4,943)
Profit for the period	58,129	32,528	5,690	(273)	(61,099)	34,975
Segment assets	101,008	19,646	11,742	3,566	-	135,962
Unallocated assets					-	2,814
Total assets					-	138,776
Segment liabilities	13,151	5,289	5,119	1,850	-	25,409
Unallocated liabilities					-	2,516
Total liabilities					-	27,925
Capital expenditure	848	90	826	32	-	1,796
Depreciation	1,156	53	157	99	-	1,465

8. Subsequent events

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 Corporation (Taiwan) from the open market of the Taiwan Stock Exchange;
- (ii) Proposed amendments to the existing Bye-Laws of the ESOS of the Company; and
- (iii) Proposed allocation of ESOS options to directors

Other than the above, 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 1 December 2008, the Company announced that Blurbme Holdings Pte. Ltd ("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. The voluntary liquidation of Blurbme was formally completed on 10 October 2009.

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 15 February 2010 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

11. Capital Commitments

Investment in a jointly-controlled entity

Contracted but not provided for and payable:

Within one year

As at
31.12.2009
RM'000

1,139

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12. Review of performance for the quarter

For the quarter ended 31 December 2009, consolidated revenue amounted to RM23.2 million, approximately RM0.9 million or 4.1% higher than the RM22.2 million revenue for the corresponding quarter in the preceding financial year. The increase is mainly attributed to higher revenues from JobStreet ESSENTIAL (online job posting service) by 18.8% year on year. The increase was partially offset by a decrease in revenues from JobStreet RESOURCE (provision of contact staffing) by 20.8%.

Results from operating activities grew 10.9% as a result of higher revenues. Higher sales from JobStreet ESSENTIAL also led to a higher gross profit margin which contributed to the growth in results from operating activities. On a pre-tax basis, the Group reported a profit before taxation ("PBT") of RM9.7 million compared with only RM3.6 million reported in the corresponding quarter in the preceding financial year. In the corresponding quarter in 2008,

the Group provided for impairment/ diminution in value of its investments in quoted securities of RM5.4 million which significantly impacted profitability in that quarter.

On an after-tax basis, the Group's profit after taxation ("PAT") of RM6.9 million has increased by 218.1% compared to the RM2.2 million reported in the corresponding quarter in 2008. Excluding the impact of the provisions for impairment/diminution in value of investments of RM5.4 million in the corresponding quarter in 2008, the effective tax rate during the quarter is higher than in 2008 due to the expiry of pioneer tax-exemption status of a subsidiary effective from 27 May 2009.

For the year ended 31 December 2009, the Group's revenue and PBT amounted to RM92.3 million and RM35.7 million respectively, or a decrease of 9.8% and 10.5% respectively compared with the preceding financial year. In addition to the impact of the economic downturn on the Group's operations in its principal markets of Malaysia, Singapore and Philippines, the Group's results were affected by additional impairment losses on its investment in an associate amounting to RM700,000. However, this was largely offset by a reversal in diminution in value of the Group's quoted investments amounting to RM766,000.

13. Comparison with previous quarter's results

	Q4 2009 <u>Current Quarter</u> RM'000	Q3 2009 <u>Preceding Quarter</u> RM'000
Revenue	23,158	24,539
Profit before taxation	9,705	10,451

For the current quarter under review, the Group recorded revenue of RM23.2 million representing a 5.6% decrease compared with RM24.5 million recorded in the preceding quarter. This decrease was mainly due to the timing of dividends received from the Group's quoted investments in Hong Kong and Taiwan which favourably impacted revenue in Q3 by RM1.5 million. Revenue from JobStreet ESSENTIAL grew 4.6% quarter on quarter, representing the third consecutive quarter in 2009 which JobStreet ESSENTIAL recorded growth.

In terms of profitability, PBT in the current quarter is lower by 7.1% mainly due to the impact of dividend income received from the Group's quoted investments in the previous quarter.

14. Prospects for the Year 2010

The global recession in 2009 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 2010 will depend on several factors including the timing and depth of 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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	2,789	1,545	7,152	4,977
Deferred taxation	60	(105)	226	(34)
	<u>2,849</u>	<u>1,440</u>	<u>7,378</u>	<u>4,943</u>

The effective tax rate is lower than statutory tax rate of 25% 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 31.12.2009	Cumulative Quarter Ended 31.12.2009
	RM'000	RM'000
Long term:		
Purchase consideration	5,675	30,454
Short term:		
Purchase consideration	-	8
Sale proceeds	126	9,861
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 31 December 2009 are summarized below:

	RM'000
At cost	82,595
At carrying value/book value	77,449
At market value	85,029

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 Corporation (Taiwan) 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"). The Proposed Disposal is expected to be completed by 30 June 2010.

20. Group Borrowings and Debt Securities

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

	As at 31.12.2009 RM'000
Current	154
Non-current	515
Total	<hr/> 669 <hr/>

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 expired 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 RM4.691 million which was paid on 31 December 2009. In respect of deposited securities, entitlement to dividends was 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.

The Board of Directors recommends the payment of a tax exempt final dividend of 1.5 sen per ordinary share of RM0.20 in respect of the current financial year amounting to RM4.691 million based on the issued and paid-up share capital as at 31 December 2009 (excluding treasury shares), 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 1.5 sen per ordinary share of RM0.20 each was paid for the financial year ended 31 December 2008.

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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net profit attributable to shareholders (RM'000)	6,271	1,687	26,781	32,809
Weighted average number of shares in issue ('000)	310,910	310,867	311,250	309,580
Basic earnings per share (sen)	2.02	0.54	8.60	10.60

(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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net profit attributable to shareholders (RM'000)	6,271	1,687	26,781	32,809
Weighted average number of shares in issue ('000)	310,910	310,867	311,250	309,580
Adjustments for share options ('000)	4,335	7,136	3,737	8,179
	315,245	318,003	314,987	317,759
Diluted earnings per share (sen)	1.99	0.53	8.50	10.33

25. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 22 February 2010.