

## **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 2009.

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 2009 except for the mandatory adoption of the following new and revised Financial Reporting (“FRS”) and Issues Committee Interpretations (“IC Int.”) effective on 1 January 2010:-

FRS 7, *Financial Instruments: Disclosures*

FRS 8, *Operating Segments*

FRS 101, *Presentation of Financial Statements (revised)*

FRS 123, *Borrowing Costs (revised)*

FRS 139, *Financial Instruments: Recognition and Measurement*

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

Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*

Amendments to FRS 7, *Financial Instruments: Disclosures*

Amendments to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*

Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

Amendments to FRS 132, *Financial Instruments: Presentation*

Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*

Improvements to FRSs (2009)

IC Interpretation 9, *Reassessment of Embedded Derivatives*

IC Interpretation 10, *Interim Financial Reporting and Impairment*

IC Interpretation 11, FRS 2 - *Group and Treasury Share Transactions*

IC Interpretation 14, FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as discussed below:-

**(a) FRS 8, *Operating Segments***

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity’s chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see Note 7). Under FRS 8, the Group will continue to present segment information in respect of its operating geographical segments. As a result, the standard does not have any impact on the financial position and results of the Group.

**(b) FRS 101, *Presentation of Financial Statements (revised)***

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. In addition, the consolidated balance sheet was renamed as the consolidated statement of financial position in the interim financial report. The standard does not have any impact on the financial position and results of the Group.

**(c) FRS 139, *Financial Instruments: Recognition and Measurement***

The new standard on FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. In accordance with the adoption of this standard, long-term other investments were classified as available-for-sale financial investments and resulted in the restatement of comparative balances as follows:-

	<b>Balance as at 1 January 2010 before the adoption of FRS 139 RM’000</b>	<b>Effects on adoption of FRS 139 RM’000</b>	<b>Balance as at 1 January 2010 after the adoption of FRS 139 RM’000</b>
Fair value reserve	-	5,951	5,951
Other investments (non-current)	65,755	(65,755)	-
Available-for-sale investments	-	71,706	71,706

**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:-

<b>Month</b>	<b>Number of shares repurchased</b>	<b>Highest price paid per share RM</b>	<b>Lowest price paid per share RM</b>	<b>Aggregate price paid RM</b>
May 2010	1,000	2.01	2.01	2,054
Nov 2010	1,000	2.90	2.90	2,943
<b>Total</b>				<b>4,997</b>

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:-

<b>Grant No.</b>	<b>Date of Offer</b>	<b>Option Price</b>	<i>Number of options over ordinary shares of RM0.20 each ('000)</i>				
			<b>Balance at 1.10.2010</b>	<b>Granted</b>	<b>Exercised</b>	<b>Lapsed/ Forfeited at 31.12.2010</b>	
I	29.11.2004	RM0.36	4,410	-	(2)	-	4,408
II	23.02.2006	RM0.90	277	-	(10)	(1)	266
III	28.03.2007	RM1.08	399	-	(100)	-	299
IV	20.05.2008	RM1.53	653	-	(279)	(15)	359
V	11.01.2010	RM1.31	13,695	-	-	(1,263)	12,432
			<b>19,434</b>	<b>-</b>	<b>(391)</b>	<b>(1,279)</b>	<b>17,764</b>

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 16 November 2010 declared a tax exempt third interim dividend of 1.5 sen per ordinary share for the financial year ending 31 December 2010 amounting to RM4.743 million. The dividend was paid on 28 December 2010.

**7. Segmental information**

The Group’s reportable segments are based on geographical markets where the Group’s operations are located. The Group provides similar products and services in each geographical segment.

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

Hong Kong, Indonesia, Japan, British Virgin Islands and India (“Others”)

The Group also has associates with operations in Malaysia and Taiwan and a jointly-controlled entity in Thailand.

**Cumulative Quarter Ended 31/12/2010**  
(The figures have not been audited)

<b>Geographical segments</b>	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Philippines RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue from external customers	71,859	22,016	16,247	5,942	-	116,064
Dividends	30,385	-	-	-	(29,353)	1,032
Investment distribution income	52	-	-	-	-	52
Inter-segment revenue	6,010	-	-	-	(6,010)	-
<b>Total revenue</b>	<b>108,306</b>	<b>22,016</b>	<b>16,247</b>	<b>5,942</b>	<b>(35,363)</b>	<b>117,148</b>
<b>Segment result</b>						
Results from operating activities	65,960	7,747	6,409	535	(30,029)	50,622
Finance income	495	6	442	60	-	1,003
Finance costs	-	-	-	(14)	-	(14)
Gain on financial assets classified as fair value through profit or loss	186	-	-	-	-	186
Diminution in value of investment in subsidiary	-	(676)	-	-	676	-
Impairment loss	(330)	-	-	-	-	(330)
Dividend income	-	22,731	-	-	(22,731)	-
Share of profit/(loss) after tax and minority interest of associates and jointly-controlled entities	3,800	(59)	-	-	-	3,741
Profit before taxation	70,111	29,749	6,851	581	(52,084)	55,208
Tax expense	(8,201)	(1,891)	(1,923)	(6)	-	(12,021)
<b>Profit for the period</b>	<b>61,910</b>	<b>27,858</b>	<b>4,928</b>	<b>575</b>	<b>(52,084)</b>	<b>43,187</b>
<b>Segment assets</b>	<b>156,666</b>	<b>18,543</b>	<b>17,735</b>	<b>6,261</b>	<b>-</b>	<b>199,205</b>
Unallocated assets					-	5,707
<b>Total assets</b>						<b>204,912</b>
<b>Segment liabilities</b>	<b>16,011</b>	<b>3,938</b>	<b>11,346</b>	<b>2,389</b>	<b>-</b>	<b>33,684</b>
Unallocated liabilities					-	2,873
<b>Total liabilities</b>						<b>36,557</b>
Capital expenditure	1,667	240	175	77	-	2,159
Depreciation	961	64	254	135	-	1,414

**Cumulative Quarter Ended 31/12/2009**

<b>Geographical segments</b>	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Philippines RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue from external customers	58,474	15,608	12,911	3,110	-	90,103
Dividends	30,283	-	-	-	(28,069)	2,214
Investment distribution income	24	-	-	-	-	24
Inter-segment revenue	4,943	-	-	-	(4,943)	-
<b>Total revenue</b>	<b>93,724</b>	<b>15,608</b>	<b>12,911</b>	<b>3,110</b>	<b>(33,012)</b>	<b>92,341</b>
<b>Segment result</b>						
Results from operating activities	54,360	3,933	5,955	(607)	(28,069)	35,572
Finance income	535	32	416	9	-	992
Finance costs	-	-	-	(19)	-	(19)
Gain on financial assets classified as fair value through profit or loss	1,766	-	-	-	-	1,766
Impairment losses on investments	(878)	-	-	-	178	(700)
Gain on disposal of a subsidiary	66	-	-	-	-	66
Dividend income	-	25,275	-	-	(25,275)	-
Share of loss after tax and minority interest of associates and a jointly-controlled entity	(732)	(320)	-	-	-	(1,052)
Profit before taxation	55,117	28,920	6,371	(617)	(53,166)	36,625
Tax expense	(4,861)	(710)	(1,787)	(21)	-	(7,379)
<b>Profit for the period</b>	<b>50,256</b>	<b>28,210</b>	<b>4,584</b>	<b>(638)</b>	<b>(53,166)</b>	<b>29,246</b>
<b>Segment assets</b>	<b>125,805</b>	<b>9,020</b>	<b>17,980</b>	<b>2,400</b>	<b>-</b>	<b>155,205</b>
Unallocated assets					-	2,792
<b>Total assets</b>					<b>-</b>	<b>157,997</b>
<b>Segment liabilities</b>	<b>13,049</b>	<b>4,690</b>	<b>6,191</b>	<b>1,704</b>	<b>-</b>	<b>25,634</b>
Unallocated liabilities					-	2,113
<b>Total liabilities</b>					<b>-</b>	<b>27,747</b>
Capital expenditure	630	22	162	103	-	917
Depreciation	960	52	245	97	-	1,354

**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 17 February 2011 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

**11. Capital Commitments**

	<b>As at 31.12.2010 RM’000</b>
<b>Investment in a jointly-controlled entity</b>	
Contracted but not provided for:	
Within one year	408
	=====

**12. Review of performance for the quarter**

For the quarter ended 31 December 2010, consolidated revenue amounted to RM29.4 million, approximately RM6.2 million or 26.8% higher than the RM23.2 million revenue for the corresponding quarter in the preceding financial year. The increase was mainly attributed to higher revenues from JobStreet ESSENTIAL (online job posting service) and JobStreet IMPACT (career website management service) by 27.1% and 31.3% respectively.

Results from operating activities rose 11.3% as a result of higher revenues from JobStreet ESSENTIAL and JobStreet IMPACT which also led to a higher gross profit margin. Operating expenses increased by 36.4% mainly due to higher staff costs and marketing expenses. On a pre-tax basis, the Group’s profit before taxation (“PBT”) recorded growth of 12.6% to RM11.9 million compared with RM10.6 million reported in the corresponding quarter in the preceding financial year. During the current quarter, the Group’s share of profit in associates and a jointly-controlled entity amounted to RM1.1 million which positively impacted profitability. In the corresponding quarter in 2009, there was a net write-back of RM1.1 million arising from the reversal of diminution in value of the Group’s investments in quoted securities and additional impairment losses on an associate.

The Group’s profit after taxation (“PAT”) increased by 53.7% to RM11.9 million compared with the RM7.8 million reported in the corresponding quarter in 2009. The higher rate of growth in PAT compared with PBT was due to lower tax expense of a subsidiary arising from the recognition of deferred tax asset during the current quarter.

For the year ended 31 December 2010, the Group’s revenue and PBT amounted to RM117.1 million and RM55.2 million respectively, or an increase of 26.9% and 50.7% respectively compared with the preceding financial year. Overall, the growth during the year was mainly attributed to the positive impact of the economic recovery on the Group’s operations in its core markets of Malaysia, Singapore and Philippines. In addition, the Group’s share of profits in 104 Corp further contributed to the Group’s consolidated earnings in 2010.

**13. Comparison with previous quarter's results**

	Q4 2010 <u>Current Quarter</u> RM'000	Q3 2010 <u>Preceding Quarter</u> RM'000
Revenue	29,355	30,425
Profit before taxation	11,949	14,867

For the current quarter under review, the Group recorded revenue of RM29.4 million representing a 3.5% decrease compared with RM30.4 million recorded in the preceding quarter. This decrease was mainly due to lower sales from JobStreet ESSENTIAL due to seasonality factors and timing of dividends received from the Group's quoted investment in Hong Kong.

In terms of profitability, PBT in the current quarter declined by 19.6% mainly due to the impact of lower sales from JobStreet ESSENTIAL, higher operating expenses, lower share of profits from associated companies and impairment of intangible assets.

**14. Prospects for the Year 2011**

In 2010, the Group benefited from economic recovery in the region which provided a backdrop conducive for the resumption of hiring activities by corporations. Entering into 2011, the job market in the region and the demand for recruitment advertising services remain solid. During the year, our primary regional competitor was acquired by SEEK Asia, whose ultimate parent company owns 22.3% of JobStreet Corporation Berhad. This may lead to changes in the competitive environment going forward. The performance of the Group for the financial year ending 31 December 2011 will depend on sustained economic growth, the competitive environment, the ability of the Group to take market share and the performance of its 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:

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Estimated current tax payable	2,994	2,789	15,140	7,152
Deferred taxation	(2,978)	61	(3,119)	227
	<u>16</u>	<u>2,850</u>	<u>12,021</u>	<u>7,379</u>

The effective tax rate is lower than statutory tax rate of 25% mainly due to the following:

- (i) The overprovision of tax expense in the prior year that was reversed in the current financial year; 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:-

	<b>Individual Quarter Ended 31.12.2010 RM’000</b>	<b>Cumulative Quarter Ended 31.12.2010 RM’000</b>
Quoted securities of associate companies		
Purchase consideration	10,635	10,894
Reclassification of investment in 104 Corp from Available-For-Sale Investments	-	64,362
Share of results and changes in equity in associates; and exchange differences	6,159	1,311
Long term:		
Purchase consideration	-	13,880
Reclassification of investment in 104 Corp to Investment in Associates and Jointly-Controlled Entities	-	(64,362)
Reversal of fair value reserve attributable to 104 Corp	-	(29,025)
Changes in fair value	1,963	41,179
Short term:		
Purchase consideration	1,058	3,539
Changes in fair value	36	139

Quoted securities acquired during the current quarter under review which are classified as investments in associates and jointly-controlled entities comprise of quoted shares in 104 Corp.

Available-for-sale investments are measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss.

With the elevation of 104 Corp to associate status in April 2010, the Group’s investment in 104 Corp has been reclassified under Investment in Associates and Jointly-Controlled Entities pursuant to Financial Reporting Standard (“FRS”) 128, Investments in Associates. Pursuant to FRS 128, investments in associates are stated in the Company’s balance sheet at cost less impairment losses, if any. Consequently, the fair value reserve attributed to the Group’s

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investment in 104 Corp amounting to RM29.0 million as at 31 March 2010 has been reversed from Fair Value Reserve in the second quarter of 2010 accordingly.

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 31 December 2010 are summarized below:

	<b>RM’000</b>
At cost	110,907
At carrying value/book value	119,100
At market value	136,815

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”). The Proposed Disposal is expected to be completed by 30 June 2011.

**20. Group Borrowings and Debt Securities**

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

	<b>As at</b>
	<b>31.12.2010</b>
	<b>RM’000</b>
Current	158
Non-current	369
Total	<u>527</u>

**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 24 February 2011 declared the fourth interim single tier dividend of 1.5 sen per ordinary share of RM0.20 each for the financial year ending 31 December 2010 amounting to RM4.743 million computed based on the issued and paid-up share capital (excluding treasury shares) as at 17 February 2011. The dividend will be paid on 31 March 2011. In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 18 March 2011. During the previous corresponding period, the Company did not declare any dividend for the financial year ended 31 December 2009. The interim single tier dividend of 1.5 sen per share for the current quarter is in line with the financial performance of the Group and the revised dividend policy of the Company.

The Board of Directors recommends the payment of a final single tier dividend of 1.0 sen per ordinary share of RM0.20 each in respect of the current financial year amounting to RM3.162 million computed based on the issued and paid-up share capital (excluding treasury shares) as at 17 February 2011, subject to the approval of the 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 2009. The final single tier dividend of 1.0 sen per share in respect of the current financial year is in line with the financial performance of the Group and the revised dividend policy of the Company.

With the fourth interim and final single tier dividends, the total dividend for the current financial year is 6.5 sen.

**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.

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
Net profit attributable to shareholders (RM'000)	11,508	7,177	40,961	27,687
Weighted average number of shares in issue ('000)	315,916	310,910	315,005	311,250
Basic earnings per share (sen)	3.64	2.31	13.00	8.90

**(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	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Net profit attributable to shareholders (RM'000)	11,508	7,177	40,961	27,687
Weighted average number of shares in issue ('000)	315,916	310,910	315,005	311,250
Adjustments for share options ('000)	10,761	4,335	8,896	3,737
	326,677	315,245	323,901	314,987
Diluted earnings per share (sen)	3.52	2.28	12.65	8.79

**25. Realised and unrealised profits/losses**

	<b>Group As at 31.12.2010</b>	<b>Group As at 30.09.2010</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	72,815,728	71,992,928
- Unrealised	3,361,121	5,651
Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	4,090,371	2,763,815
- Unrealised	(12,553)	(15,836)
Total share of retained profits / (accumulated losses) from jointly controlled entities:		
- Realised	(992,511)	(801,401)
- Unrealised	-	-
	<hr/> 79,262,156	<hr/> 73,945,157
Less: Consolidation adjustments	6,351,544	4,890,881
Total group retained profits	<hr/> 85,613,700	<hr/> 78,836,038

**26. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 24 February 2011.