

# **JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

## **and its subsidiaries**

### **Financial statements for the year ended 31 December 2007**

Domiciled in Malaysia  
Principal place of business  
Wisma JobStreet.com,  
No. 27, Lorong Medan Tuanku 1,  
(Off Jalan Sultan Ismail),  
50300 Kuala Lumpur

# JobStreet Corporation Berhad

(Company No. 641378-W)

(Incorporated in Malaysia)

## and its subsidiaries

### Directors' report for the year ended 31 December 2007

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2007.

### Principal activities

The principal activities of the Company are the provision of interactive marketing services and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the year.

### Results

	Group RM	Company RM
Profit attributable to:		
Shareholders of the Company	28,886,030	18,817,219
Minority interests	1,397,222	-
	<u>30,283,252</u>	<u>18,817,219</u>
	=====	=====

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

### Dividends

Since the end of the previous financial year, the Company paid an interim dividend of 1.5 sen per share tax exempt amounting to RM4,608,144 in respect of the financial year ended 31 December 2007 on 28 January 2008.

The Directors recommend the payment of a final dividend of 2.0 sen per share tax exempt amounting to RM6,144,192 in respect of the financial year ended 31 December 2007. This is computed based on the issued and paid-up share capital as at 31 December 2007.

### Directors of the Company

Directors who served since the date of the last report are:

Datuk Ali bin Abdul Kadir  
 Tan Sri Dato' Dr. Lin See Yan  
 Lim Chao Li  
 Ng Kay Yip  
 Chang Mun Kee  
 Suresh A/L Thirugnanam

## Directors' interests

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

### *Shareholdings in which Directors have direct interest*

The Company	Nominal value RM	Number of ordinary shares				
		At 1.1.2007	Acquired/ (Disposed)	Bonus issue	Share consolidation	At 31.12.2007
Datuk Ali bin Abdul Kadir	0.10 0.20	200,000 -	200,000 -	800,000 -	(1,200,000) 600,000	- 600,000
Tan Sri Dato' Dr. Lin See Yan	0.10 0.20	1,100,000 -	300,000 -	2,800,000 -	(4,200,000) 2,100,000	- 2,100,000
Lim Chao Li	0.10 0.20	17,188,710 -	1,149,600 -	36,676,620 -	(55,014,930) 27,507,465	- 27,507,465
Ng Kay Yip	0.10 0.20	18,965,540 -	1,164,600 -	40,260,280 -	(60,390,420) 30,195,210	- 30,195,210
Chang Mun Kee	0.10 0.20	25,700,250 -	- -	51,400,504 -	(77,100,754) 38,550,377	- 38,550,377
Suresh A/L Thirugnanam	0.10 0.20	8,336,940 -	- -	16,673,880 -	(25,010,820) 12,505,410	- 12,505,410

JobStreet.com Philippines Inc	Nominal value PHP	Number of ordinary shares			
		At 1.1.2007	Acquired	Disposed	At 31.12.2007
Chang Mun Kee	1.00	1*	-	-	1*

JobStreet.com Limited	Nominal value HKD	Number of ordinary shares			
		At 1.1.2007	Acquired	Disposed	At 31.12.2007
Chang Mun Kee	1.00	1*	-	-	1*

\* Shares held in trust for JobStreet.com Pte Ltd

### *Shareholdings in which Directors have indirect interest*

The Company	Nominal value RM	Number of ordinary shares				
		At 1.1.2007	Acquired/ (Disposed)	Bonus issue	Share consolidation	At 31.12.2007
Datuk Ali bin Abdul Kadir	0.10 0.20	- -	70,000 -	140,000 -	(210,000) 105,000	- 105,000

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## Directors' interests (continued)

Company	Number of options over ordinary shares of RM0.10 / RM0.20 each				At 31.12.2007
	At 1.1.2007	Granted	Exercised	Adjustments*	
Datuk Ali bin Abdul Kadir	800,000	-	(200,000)	300,000	900,000
Tan Sri Dato' Dr Lin See Yan	800,000	-	(200,000)	300,000	900,000
Chang Mun Kee	1,500,000	-	-	750,000	2,250,000
Suresh A/L Thirugnanam	640,000	-	-	320,000	960,000

\* Adjustment for the bonus issue of two new ordinary shares for every one ordinary share of RM0.10 each held, and the share consolidation of two ordinary shares of RM0.10 each held after the bonus issue into one new ordinary share of RM0.20 each in the Company as completed on 28 December 2007.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related companies) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the options granted under the Company's Employee Share Option Scheme.

## Issue of shares

During the financial year, the Company increased its authorised share capital from RM50,000,000 divided into 500,000,000 ordinary shares of RM0.10 each to RM100,000,000 divided into 1,000,000,000 ordinary shares of RM0.10 each by the creation of an additional 500,000,000 ordinary shares of RM0.10 each.

Subsequently, the authorised share capital of the Company was amended from RM100,000,000 divided into 1,000,000,000 ordinary shares of RM0.10 each into RM100,000,000 divided into 500,000,000 ordinary shares of RM0.20 each.

During the financial year, the Company issued:

- 1,741,400 new ordinary shares of RM0.10 each for cash arising from the exercise of employees' share options at a weighted average exercise price of approximately RM0.69 per ordinary share; and
- 409,612,800 ordinary shares of RM0.10 each arising from the bonus issue of 2 ordinary shares for every ordinary share of RM0.10 each held on 27 December 2007 ("Bonus Issue") by way of capitalisation of share premium and retained earnings.

Subsequently, the Company consolidated 2 ordinary shares of RM0.10 each after the Bonus Issue into 1 new ordinary share of RM0.20 each in the Company.

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## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the Employees' Share Option Scheme.

### Employee Share Option Scheme

At an extraordinary general meeting held on 5 October 2004, the Company's shareholders approved the establishment of an Employee Share Option Scheme ("ESOS") involving up to 10% of the issued share capital of the Company at any time during the existence of the ESOS, to the Directors and eligible employees of the Group.

The salient features of the scheme are as follows:-

- i) Eligible employees are those who have been confirmed as employees of the Group at the date of the offer. Employees include both Executive Directors and Non-Executive Directors.
- ii) The option is personal to the grantee and is non-assignable.
- iii) The options granted may be exercised at such year that may be stipulated by the option committee within the duration of the scheme upon giving notice in writing.
- iv) The scheme shall be in force for a duration of five (5) years from the effective date of the implementation of the scheme.
- v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company within the Group.

The options offered to take up unissued ordinary shares of RM0.10/RM0.20 each and the option prices are as follows:

Date of Offer	Adjusted Option Price	Number of options over ordinary shares of RM0.10/RM0.20 each ('000)						Balance at 31.12.2007
		Balance at 1.1.2007	Granted	Exercised	Lapsed	Forfeited	Adjustments*	
29.11.2004	RM0.36	10,245	-	(1,425)	(343)	-	4,244	12,721
23.02.2006	RM0.90	2,090	-	(316)	(419)	-	671	2,026
28.03.2007	RM1.08	-	1,475	-	(320)	-	577	1,732
		12,335	1,475	(1,741)	(1,082)	-	5,492	16,479

- \* Adjustment for the bonus issue of two new ordinary shares for every one ordinary share of RM0.10 each held, and the share consolidation of two ordinary shares of RM0.10 each held after the bonus issue into one new ordinary share of RM0.20 each in the Company as completed on 28 December 2007.

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## Options granted over unissued shares (continued)

### Employee Share Option Scheme (continued)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders to whom less than 200,000 options have been granted during the financial year and details of their holdings. The remaining option holders are as follows:-

	Number of options over ordinary shares of RM0.10/RM0.20 each				Balance at 31.12.2007
	Balance at 1.1.2007	Granted	Exercised	Adjustments*	
Si Thean Choy	-	210,000	-	105,000	315,000

\* Adjustment for the bonus issue of two new ordinary shares for every one ordinary share of RM0.10 each held, and the share consolidation of two ordinary shares of RM0.10 each held after the bonus issue into one new ordinary share of RM0.20 each in the Company as completed on 28 December 2007.

## Other statutory information

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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## **Other statutory information (continued)**

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2007 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## **Significant events**

The significant events during the financial year are as disclosed in Note 29 to the financial statements.

## **Subsequent events**

Material events subsequent to the balance sheet date are as disclosed in Note 30 to the financial statements.

## **Auditors**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....  
**Chang Mun Kee**

.....  
**Lim Chao Li**

Kuala Lumpur,

Date: 25 April 2008

# **JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

## **and its subsidiaries**

### **Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 11 to 66 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....  
**Chang Mun Kee**

.....  
**Lim Chao Li**

Kuala Lumpur,

Date: 25 April 2008



# **JobStreet Corporation Berhad**

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## **and its subsidiaries**

### **Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965**

I, **Gregory Charles Poarch**, the officer primarily responsible for the financial management of JobStreet Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 66 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 25 April 2008.

.....  
**Gregory Charles Poarch**

Before me:

**RAMAN KUNYAPU** (No. W 476)  
 Commissioner of Oaths

## **Report of the auditors to the members of JobStreet Corporation Berhad**

(Company No. 641378-W)

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We have audited the financial statements set out on pages 11 to 66. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 December 2007 and the results of their operations and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

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The subsidiaries in respect of which we have not acted as auditors are identified in Note 5 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

**KPMG**

Firm Number: AF 0758  
Chartered Accountants

**Foong Mun Kong**

Partner  
Approval Number: 2613/12/08(J)

Kuala Lumpur,

Date: 25 April 2008

# JobStreet Corporation Berhad

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## and its subsidiaries

### Balance sheets at 31 December 2007

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
<b>Assets</b>					
Property and equipment	3	13,690,082	13,833,791	368,600	77,600
Intangible assets	4	2,978,047	2,808,856	330,000	-
Investments in subsidiaries	5	-	-	20,183,293	19,411,333
Investments in associates and a jointly-controlled entity	6	10,906,896	4,198,910	6,885,260	-
Other investments	7	-	-	-	-
Deferred tax assets	8	206,720	693,328	-	-
<b>Total non-current assets</b>		<u>27,781,745</u>	<u>21,534,885</u>	<u>27,767,153</u>	<u>19,488,933</u>
Other investments	7	21,921,243	10,021,285	15,896,214	10,021,285
Receivables, deposits and prepayments	9	10,277,180	10,188,886	23,988,429	27,311,601
Current tax assets		177,457	177,946	-	-
Cash and cash equivalents	10	54,480,359	36,325,147	6,594,218	391,173
<b>Total current assets</b>		<u>86,856,239</u>	<u>56,713,264</u>	<u>46,478,861</u>	<u>37,724,059</u>
<b>Total assets</b>		<u>114,637,984</u>	<u>78,248,149</u>	<u>74,246,014</u>	<u>57,212,992</u>
<b>Equity</b>					
Share capital		61,441,920	20,306,500	61,441,920	20,306,500
Reserves		676,124	8,051,539	587,876	7,679,191
Retained earnings		23,053,142	31,894,290	7,145,693	26,055,652
<b>Total equity attributable to shareholders of the Company</b>	11	85,171,186	60,252,329	69,175,489	54,041,343
<b>Minority interest</b>		1,248,173	1,123,690	-	-
<b>Total equity</b>		<u>86,419,359</u>	<u>61,376,019</u>	<u>69,175,489</u>	<u>54,041,343</u>

## Balance sheets at 31 December 2007

(continued)

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
<b>Liabilities</b>					
Deferred tax liabilities	8	68,867	8,925	-	-
<b>Total non-current liabilities</b>		68,867	8,925	-	-
Deferred income	12	12,128,628	7,750,996	51,574	15,650
Payables and accruals	13	14,145,529	8,294,651	5,018,951	3,155,999
Taxation		1,875,601	817,558	-	-
<b>Total current liabilities</b>		28,149,758	16,863,205	5,070,525	3,171,649
<b>Total liabilities</b>		28,218,625	16,872,130	5,070,525	3,171,649
<b>Total equity and liabilities</b>		114,637,984	78,248,149	74,246,014	57,212,992

The notes on pages 18 to 66 are an integral part of these financial statements.

# JobStreet Corporation Berhad

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### Income statements for the year ended 31 December 2007

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
<b>Continuing operation</b>					
Revenue	15	83,079,137	65,743,858	19,869,677	26,894,106
Other operating income	16	480,903	78,446	236,228	154,154
Advertising expenses		(1,240,618)	(1,460,738)	(6,380)	-
(Allowance)/Writeback for doubtful debts		524,024	(348,897)	16,294	(53,317)
Contract and outsourcing cost		(14,671,196)	(13,804,935)	-	-
Depreciation		(1,455,794)	(1,161,524)	-	-
Rental of office		(904,649)	(819,012)	-	(6,698)
Staff costs	18	(23,399,452)	(18,949,917)	(276,694)	(378,496)
Telecommunication expenses		(464,094)	(563,097)	(2,341)	(20,572)
Traveling expenses		(851,096)	(820,742)	(48,534)	(33,349)
Other operating expenses	16	(9,673,241)	(7,028,855)	(995,019)	(530,607)
<b>Results from operating activities</b>		31,423,924	20,864,587	18,793,231	26,025,221
Interest income		1,094,852	801,182	35,336	57,463
Finance costs		(7,802)	-	-	-
Gain on deemed disposal of equity interest in					
- a subsidiary		-	3,294,567	-	-
- an associate		-	24,832	-	-
<b>Operating profit</b>		32,510,974	24,985,168	18,828,567	26,082,684
Share of profit/(loss) after tax and minority interest of equity accounted associates and a jointly-controlled entity		1,151,759	(88,934)	-	-
<b>Profit before tax</b>		33,662,733	24,896,234	18,828,567	26,082,684
Tax expense	19	(3,379,481)	(2,267,789)	(11,348)	(40,525)
<b>Profit for the year</b>		30,283,252	22,628,445	18,817,219	26,042,159
<b>Attributable to:</b>					
Shareholders of the Company		28,886,030	21,709,231	18,817,219	26,042,159
Minority interest		1,397,222	919,214	-	-
<b>Profit for the year</b>		30,283,252	22,628,445	18,817,219	26,042,159
Basic earnings per ordinary share (sen)	20	9.44	7.15		
Diluted earnings per ordinary share (sen)	20	9.08	6.89		

The notes on pages 18 to 66 are an integral part of these financial statements.

# JobStreet Corporation Berhad

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### Statement of changes in equity for the year ended 31 December 2007

		<----- Attributable to shareholders of the Company ----->							
		<----- Non-distributable ----->			Distributable				
Group	Note	Share capital RM	Share premium RM	Translation reserve RM	Share option reserve RM	Retained earnings RM	Total RM	Minority interest RM	Total equity RM
At 1 January 2006		20,100,000	6,378,571	193,309	-	15,769,347	42,441,227	1,567,908	44,009,135
Foreign exchange translation differences		-	-	179,039	-	-	179,039	17,415	196,454
Profit for the year		-	-	-	-	21,709,231	21,709,231	919,214	22,628,445
Total recognised income and expense for the year		-	-	179,039	-	21,709,231	21,888,270	936,629	22,824,899
Share options exercised	11	206,500	908,600	-	-	-	1,115,100	-	1,115,100
Share-based payments	14	-	-	-	392,020	-	392,020	-	392,020
Acquisition of shares in a subsidiary		-	-	-	-	-	-	66,470	66,470
Issuance of shares to minority interest		-	-	-	-	-	-	437,640	437,640
Dividends	21	-	-	-	-	(5,584,288)	(5,584,288)	(1,884,957)	(7,469,245)
As at 31 December 2006 / 1 January 2007		20,306,500	7,287,171	372,348	392,020	31,894,290	60,252,329	1,123,690	61,376,019
Foreign exchange translation differences		-	-	(284,100)	-	-	(284,100)	163,830	(120,270)
Profit for the year		-	-	-	-	28,886,030	28,886,030	1,397,222	30,283,252
Total recognised income and expense for the year		-	-	(284,100)	-	28,886,030	28,601,930	1,561,052	30,162,982
Share options exercised	11	174,140	1,022,500	-	-	-	1,196,640	-	1,196,640
Transfer to share premium for share options exercised		-	155,654	-	(155,654)	-	-	-	-
Transfer to retained earnings for share options lapsed		-	-	-	(61,190)	61,190	-	-	-
Share issue expenses		-	(684,269)	-	-	-	(684,269)	-	(684,269)
Bonus issue		40,961,280	(7,781,056)	-	-	(33,180,224)	-	-	-
Share-based payments	14	-	-	-	412,700	-	412,700	-	412,700
Acquisition of shares in subsidiaries	27	-	-	-	-	-	-	491,740	491,740
Dividends	21	-	-	-	-	(4,608,144)	(4,608,144)	(1,928,309)	(6,536,453)
At 31 December 2007		61,441,920	-	88,248	587,876	23,053,142	85,171,186	1,248,173	86,419,359

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## Statement of changes in equity for the year ended 31 December 2007

		<----- Attributable to shareholders of the Company ----->				
		<----- Non-distributable ----->			Distributable	
Company	Note	Share capital RM	Share premium RM	Share option reserve RM	Retained earnings RM	Total equity RM
<b>At 1 January 2006</b>		20,100,000	6,378,571	-	5,597,781	32,076,352
Profit for the year		-	-	-	26,042,159	26,042,159
Shares options exercised	11	206,500	908,600	-	-	1,115,100
Share-based payments	14	-	-	392,020	-	392,020
Dividends	21	-	-	-	(5,584,288)	(5,584,288)
<b>As at 31 December 2006 / 1 January 2007</b>		20,306,500	7,287,171	392,020	26,055,652	54,041,343
Profit for the year		-	-	-	18,817,219	18,817,219
Shares options exercised	11	174,140	1,022,500	-	-	1,196,640
Transfer to share premium for share options exercised		-	155,654	(155,654)	-	-
Transfer to retained earnings for share options lapsed		-	-	(61,190)	61,190	-
Share issue expenses		-	(684,269)	-	-	(684,269)
Bonus issue		40,961,280	(7,781,056)	-	(33,180,224)	-
Share-based payments	14	-	-	412,700	-	412,700
Dividends	21	-	-	-	(4,608,144)	(4,608,144)
<b>At 31 December 2007</b>		61,441,920	-	587,876	7,145,693	69,175,489

The notes on pages 18 to 66 are an integral part of these financial statements.



# JobStreet Corporation Berhad

(Company No. 641378-W)

(Incorporated in Malaysia)

## and its subsidiaries

### Cash flow statements for the year ended 31 December 2007

		Group		Company	
	Note	2007 RM	2006 RM	2007 RM	2006 RM
<b>Cash flows from operating activities</b>					
Profit before tax		33,662,733	24,896,234	18,828,567	26,082,684
Adjustments for:					
Depreciation	3	1,455,794	1,161,524	-	-
Impairment of goodwill		160,366	-	-	-
Property and equipment written off	3	1,139	361	-	-
(Gain)/Loss on disposal of property and equipment		(1,868)	476	-	-
Share-based payments	14	412,700	392,020	412,700	392,020
Share of (profit)/loss after tax and minority interest of equity accounted associates and a jointly-control entity		(1,151,759)	88,934	-	-
Dividend income	15	-	-	(18,464,067)	(26,098,277)
Gain on deemed disposal of equity interest of					
- a subsidiary	28	-	(3,294,567)	-	-
- an associate		-	(24,832)	-	-
Interest income		(1,094,852)	(801,182)	(35,336)	(57,463)
Gain on disposal of investments in unit trusts		(236,228)	-	(236,228)	-
Investment distribution income		(709,259)	(230,480)	(652,217)	(230,480)
Impairment loss for other investments		226,122	-	149,497	-
Impairment loss for investment in a jointly-controlled entity		438,012	-	-	-
Unrealised foreign exchange loss		84,658	98,910	10,909	69,172
<b>Operating profit before working capital changes</b>		33,247,558	22,287,398	13,825	157,656
Changes in working capital:					
Receivables, deposits and prepayments		408,336	(577,623)	(3,811,842)	(1,023,086)
Deferred income		4,288,889	1,849,442	35,924	(8,583)
Payables and accruals		3,681,017	2,427,523	236,559	(616,775)
<b>Cash generated from/(used in) operations</b>		41,625,800	25,986,740	(3,525,534)	(1,490,788)
Income tax paid		(2,047,338)	(1,046,349)	(11,348)	(40,525)
Interest received		1,094,852	801,182	35,336	57,463
<b>Net cash from/(used in) operating Activities</b>		40,673,314	25,741,573	(3,501,546)	(1,473,850)
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	27	491,740	(54,327)	(771,960)	-
Acquisition of an associate		(6,885,260)	(336,155)	(6,885,260)	-
Acquisition of intellectual property		(330,000)	-	(330,000)	-
Disposal of equity interest of a subsidiary, net cash outflow	28	-	(66,675)	-	-
Increase in investment in a subsidiary		-	-	-	(656,460)
Investment distribution income received		709,259	230,480	652,217	230,480
Acquisition of other investments		(18,889,852)	(10,021,285)	(10,788,198)	(10,021,285)

## Cash flow statements for the year ended 31 December 2007

(continued)

	Note	Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
<b>Cash flows from investing activities (cont'd)</b>					
Issuance of shares to minority interest		-	437,640	-	-
Purchase of property and equipment	3	(1,337,287)	(2,978,981)	(291,000)	(77,600)
Proceeds from disposal of property and equipment		6,312	15,712	-	-
Proceeds from redemption of investments in quoted unit trusts		7,000,000	-	5,000,000	-
Dividends received		-	-	25,652,398	5,000,000
<b>Net cash (used in) /from investing activities</b>		<b>(19,235,088)</b>	<b>(12,773,591)</b>	<b>12,238,197</b>	<b>(5,524,865)</b>
<b>Cash flows from financing activities</b>					
Dividends paid to shareholders of the Company	21	(3,045,977)	(2,538,311)	(3,045,977)	(2,538,311)
Dividends paid to minority shareholders		(1,485,538)	(1,884,957)	-	-
Proceeds from issuance of shares pursuant to ESOS		1,196,640	1,115,100	1,196,640	1,115,100
Payment of corporate restructuring expenses		(684,269)	-	(684,269)	-
<b>Net cash used in financing activities</b>		<b>(4,019,144)</b>	<b>(3,308,168)</b>	<b>(2,533,606)</b>	<b>(1,423,211)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>17,419,082</b>	<b>9,659,814</b>	<b>6,203,045</b>	<b>(8,421,926)</b>
<b>Cash and bank balances at beginning of the year</b>		<b>36,325,147</b>	<b>26,558,381</b>	<b>391,173</b>	<b>8,813,099</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>736,130</b>	<b>106,952</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>		<b>54,480,359</b>	<b>36,325,147</b>	<b>6,594,218</b>	<b>391,173</b>
<b>Cash and cash equivalents comprise:</b>					
Deposits with licensed banks		50,246,652	32,872,385	6,260,000	-
Cash and bank balances		4,233,707	3,452,762	334,218	391,173
	10	<b>54,480,359</b>	<b>36,325,147</b>	<b>6,594,218</b>	<b>391,173</b>

The notes on pages 18 to 66 are an integral part of these financial statements.

# **JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

## **and its subsidiaries**

### **Notes to the financial statements**

JobStreet Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

#### **Registered office**

Lot 6.05, Level 6

KPMG Tower, 8 First Avenue

Bandar Utama

47800, Petaling Jaya

Selangor Darul Ehsan

#### **Principal place of business**

Wisma JobStreet.com

No. 27, Lorong Medan Tuanku 1

(Off Jalan Sultan Ismail)

50300 Kuala Lumpur

The consolidated financial statements as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates and a jointly-controlled entity. The financial statements of the Company as at and for the year ended 31 December 2007 do not include other entities.

The Company is principally engaged in the provision of interactive marketing services and investment holding while the principal activities of the other Group entities are as stated in Note 5 to the financial statements.

## **1. Basis of preparation**

### **(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous years except for the adoption of FRS 124 on Related Party Disclosures issued by MASB that are effective for the financial period beginning on 1 January 2007.

# 1. Basis of preparation (continued)

## (a) Statement of compliance (continued)

Other than expanded disclosure requirements as shown in Note 26, the adoption of FRS 124 does not have any significant impact on the Group and the Company.

The MASB has also issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 January 2007, and that have not been applied in preparing these financial statements:

FRSs/Interpretations	Effective date
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129<sub>2004</sub> Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
FRS 126, <i>Accounting and Reporting by Retirement Benefit Plans</i>	1 July 2007
FRS 129, <i>Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007

## **1. Basis of preparation (continued)**

### **(a) Statement of compliance (continued)**

The Group and the Company plan to apply the abovementioned FRSs and Interpretations (except for FRS 111, FRS 126, FRS 129, IC1, IC2, IC5, IC6, IC7 as explained below and FRS139, Financial Instruments: Recognition and Measurement which the effective date has yet to be announced) for annual period beginning 1 January 2008.

FRS 111, FRS 126, FRS 129, IC1, IC2, IC5, IC6 and IC7 are not applicable to the Group and the Company. Hence, no further disclosure is warranted.

The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in paragraph 103AB of FRS 139.

The initial application of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

The financial statements were approved by the Board of Directors on 25 April 2008.

### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis.

### **(c) Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information are presented in RM unless otherwise stated.

### **(d) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 4 – Impairment test of goodwill.

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's and a subsidiary's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

#### (ii) *Associates*

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's and subsidiary's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

## 2. Significant accounting policies (continued)

### (a) Basis of consolidation (continued)

#### (iii) *Joint ventures*

##### *Jointly-controlled entities*

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Joint ventures are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted joint ventures, after adjustments, if any, to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted joint venture, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

Investments in joint ventures are stated in a subsidiary's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

#### (iv) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

## 2. Significant accounting policies (continued)

### (a) Basis of consolidation (continued)

#### (v) *Minority interest*

Minority interest at the balance sheet date, being the portion of the net identifiable assets (excluding goodwill) of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority interest exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

#### (vi) *Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (b) Foreign currency

#### (i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.



## 2. Significant accounting policies (continued)

### (b) Foreign currency (continued)

#### (ii) *Operations denominated in functional currencies other than Ringgit Malaysia*

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal, accumulated translation differences are recognized in the consolidated income statement as part of the gain or loss on sale.

### (c) Property and equipment

#### (i) *Recognition and measurement*

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of equipment is based on the quoted market prices for similar items.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within "other operating income" or "other operating expenses" respectively in the income statements.

## 2. Significant accounting policies (continued)

### (c) Property and equipment (continued)

#### (ii) *Subsequent costs*

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the income statement as incurred.

#### (iii) *Depreciation*

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Freehold land is not depreciated. Building under construction is not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Building	50 years
Computers	3 – 4 years
Furniture and fittings	5 – 10 years
Office equipment	3 – 5 years
Motor vehicles	10 years
Leasehold equipment	4 – 5 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

### (d) Intangible assets

#### (i) *Goodwill*

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

## 2. Significant accounting policies (continued)

### (d) Intangible assets (continued)

#### (i) *Goodwill (continued)*

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

#### (ii) *Other intangible assets*

Intangible assets other than goodwill that are acquired by the Group are stated at cost less any accumulated amortization and any impairment losses.

Expenditure on internally generated goodwill and brands is recognized in the income statement as an expense as incurred.

### (e) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries, associates and jointly-controlled entities, are stated at cost less allowance for diminution in value,
- all current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries, associates and jointly-controlled entities, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

## **2. Significant accounting policies (continued)**

### **(e) Investments in equity securities (continued)**

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

### **(f) Research and development**

Expenditure on research and development activities is recognised in the income statement as an expense as incurred.

### **(g) Receivables**

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

### **(h) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value.

## **2. Significant accounting policies (continued)**

### **(i) Impairment of assets**

The carrying amounts of assets except for financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

### **(j) Share capital**

#### **Share issue expenses**

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

## 2. Significant accounting policies (continued)

### (k) Employee benefits

#### (i) *Short term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses and paid annual leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

#### (ii) *Share-based payment transactions*

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee stock options is measured using a trinomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

## **2. Significant accounting policies (continued)**

### **(l) Payables**

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

### **(m) Revenue recognition**

#### **(i) *Services rendered***

Revenue is recognised in the income statement upon performance of services, net of discounts and allowances.

The amount of unearned income from services to be rendered in future financial periods is disclosed as deferred income.

#### **(ii) *Dividend and investment distribution income***

Dividend and investment distribution income are recognised when the right to receive payment is established.

### **(n) Government grants**

Government grant is recognised initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

### **(o) Lease payments**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

### **(p) Interest income**

Interest income is recognised as it accrues, using the effective interest method.

## 2. Significant accounting policies (continued)

### (q) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### (s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.



Company No. 641378-W
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### 3. Property and equipment

Group		Freehold land RM	Building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Leasehold equipment RM	Building in progress RM	Total RM
	Note									
<i>Cost</i>										
At 1 January 2006		6,176,401	4,117,601	3,570,510	803,099	619,907	-	91,376	-	15,378,894
Additions		-	-	1,106,083	1,273,038	389,330	64,272	68,658	77,600	2,978,981
Disposals		-	-	(46,247)	(5,760)	(11,640)	-	-	-	(63,647)
Written off		-	-	(22,281)	-	-	-	-	-	(22,281)
Deemed disposal of equity interest in a subsidiary	28	-	-	(287,985)	(63,775)	(89,436)	-	(11,178)	-	(452,374)
Exchange difference		-	-	(8,670)	(1,428)	305	-	454	-	(9,339)
At 31 December 2006/ 1 January 2007		6,176,401	4,117,601	4,311,410	2,005,174	908,466	64,272	149,310	77,600	17,810,234
Additions		-	-	755,581	72,994	133,729	54,472	29,511	291,000	1,337,287
Disposals		-	-	(16,820)	-	-	-	-	-	(16,820)
Written off		-	-	(33,405)	-	(18,225)	-	-	-	(51,630)
Reclassification		-	-	171,244	-	(171,244)	-	-	-	-
Exchange difference		-	-	(13,042)	2,569	35,245	(7,334)	7,370	-	24,808
At 31 December 2007		6,176,401	4,117,601	5,174,968	2,080,737	887,971	111,410	186,191	368,600	19,103,879

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### 3. Property and equipment (continued)

Group	Note	Freehold land RM	Building RM	Computers RM	Furniture and Fittings RM	Office equipment RM	Motor vehicles RM	Leasehold equipment RM	Building in progress RM	Total RM
<b>Depreciation</b>										
At 1 January 2006		-	-	2,377,771	405,435	482,454	-	33,878	-	3,299,538
Charge for the year		-	68,626	736,629	162,313	107,386	6,509	80,061	-	1,161,524
Disposals		-	-	(46,247)	(48)	(1,164)	-	-	-	(47,459)
Written off		-	-	(21,920)	-	-	-	-	-	(21,920)
Deemed disposal of equity interest in a subsidiary	28	-	-	(260,865)	(62,395)	(69,296)	-	(11,178)	-	(403,734)
Exchange difference		-	-	(8,644)	(1,891)	(138)	(82)	(751)	-	(11,506)
At 31 December 2006/ 1 January 2007		-	68,626	2,776,724	503,414	519,242	6,427	102,010	-	3,976,443
Charge for the year		-	82,352	1,015,104	197,154	112,027	12,950	36,207	-	1,455,794
Disposals		-	-	(12,376)	-	-	-	-	-	(12,376)
Written off		-	-	(32,435)	-	(18,056)	-	-	-	(50,491)
Reclassification		-	-	23,986	-	(23,986)	-	-	-	-
Exchange difference		-	-	194	3,847	31,231	(1,389)	10,544	-	44,427
At 31 December 2007		-	150,978	3,771,197	704,415	620,458	17,988	148,761	-	5,413,797
<b>Carrying amounts</b>										
At 1 January 2006		6,176,401	4,117,601	1,192,739	397,664	137,453	-	57,498	-	12,079,356
At 31 December 2006/ 1 January 2007		6,176,401	4,048,975	1,534,686	1,501,760	389,224	57,845	47,300	77,600	13,833,791
At 31 December 2007		6,176,401	3,966,623	1,403,771	1,376,322	267,513	93,422	37,430	368,600	13,690,082

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### 3. Property and equipment (continued)

<b>Company</b>	<b>Building- in-progress RM</b>
<i>Cost</i>	
At 1 January 2006	-
Additions	77,600
	<hr/>
At 31 December 2006/ 1 January 2007	77,600
Additions	291,000
	<hr/>
At 31 December 2007	368,600
	=====
<i>Carrying amounts</i>	
At 1 January 2006	-
	=====
At 31 December 2006/ 1 January 2007	77,600
	=====
At 31 December 2007	368,600
	=====

In the previous year, the Company acquired a building which is under construction for future use as office whereby progress payment made up to the balance sheet date totalled RM368,600.

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#### 4. Intangible assets

##### Group

Cost	Goodwill RM	Intellectual Property RM	Total RM
At 1 January 2006	3,524,072	-	3,524,072
Acquisition through business combinations	160,809	-	160,809
Deemed disposal of equity interest in a subsidiary (Note 28)	(876,025)	-	(876,025)
At 31 December 2006/ 1 January 2007	2,808,856	-	2,808,856
Acquisition	-	330,000	330,000
Foreign exchange differences	(443)	-	(443)
At 31 December 2007	2,808,413	330,000	3,138,413

##### Impairment loss

At 1 January 2006/ 31 December 2006/ 1 January 2007	-	-	-
Impairment for the year	160,366	-	160,366
At 31 December 2007	160,366	-	160,366

##### Carrying amounts

At 1 January 2006	3,524,072	-	3,524,072
At 31 December 2006/ 1 January 2007	2,808,856	-	2,808,856
At 31 December 2007	2,648,047	330,000	2,978,047

##### Company

##### Cost

	Intellectual Property RM
At 1 January 2006/ 31 December 2006 / 1 January 2007	-
Acquisition	330,000
At 31 December 2007	330,000

##### Impairment loss

At 1 January 2006/ 31 December 2006/ 1 January 2007/ 31 December 2007	-
--	---

##### Carrying amounts

At 1 January 2006/ 31 December 2006 / 1 January 2007	-
At 31 December 2007	330,000

#### 4. Intangible assets (continued)

##### Impairment testing for cash-generating units (“CGU”) containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group’s geographical segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each geographical segment are as follows:

	<b>Group</b>	
	<b>2007</b>	<b>2006</b>
	<b>RM’000</b>	<b>RM’000</b>
Malaysia	1,867	1,867
Singapore	598	759
Philippines	183	183
	<hr/>	<hr/>
	2,648	2,809
	=====	=====

The recoverable amount of each CGU has been determined based on its value-in-use. The value-in-use calculations were determined by discounting future cash flows generated from the CGUs and were based on the following key assumptions:

- The discount rate used is based on the Company’s weighted average cost of capital of 7.87%.
- Cash flow projections are based on five-year financial projections prepared by management. Cash flows beyond the fifth year are projected based on a terminal value approach.

The values assigned to the key assumption represent management’s assessment of future trends in the Company’s and the CGU’s principal activities and are based on internal sources (historical data).

Impairment is recognised in the income statement when the carrying amount of a CGU exceeds its recoverable amount.

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

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## 5. Investments in subsidiaries

		Company		
		2007 RM	2006 RM	
Unquoted shares, at cost		20,183,293 =====	19,411,333 =====	
Details of the subsidiaries are as follows:				
Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2007 %	2006 %
JobStreet.com Pte Ltd * and its subsidiaries:	Singapore	Online recruitment and human resource management services	100	100
Jobstreet.com Sdn Bhd	Malaysia	Online recruitment and human resource management services	100	100
JobStreet.com Philippines Inc*	Philippines	Online recruitment and human resource management services	60	60
Jobstreet.com Limited ***	Hong Kong	Dormant	100	100
Blurbme Holdings Pte ** Ltd	Singapore	Online lifestyle portal	51	51
PT JobStreet Indonesia **	Indonesia	Online recruitment and human resource management services	60	60
JS E-Recruitment Limited ** (Note 27)	Bangladesh	Online recruitment and human resource management services	60	-
JS Overseas Holdings Limited *** (Note 27)	British Virgin Islands	Dormant	100	-
JobStreet Kabushiki *** Kaisha (Note 27)	Japan	Search and selection, staffing and career consultancy	60	-

## 5. Investments in subsidiaries (Continued)

\* Audited by other member firms of KPMG International

\*\* Audited by other firms of auditors other than KPMG

\*\*\* Consolidated using management accounts

## 6. Investments in associates and a jointly-controlled entity

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
At cost:				
Unquoted shares	13,047,939	6,162,679	6,885,260	-
Impairment loss	(438,012)	-	-	-
Share of post-acquisition reserves	(1,264,330)	(1,970,210)	-	-
Post acquisition foreign exchange translation reserve	(438,701)	6,441	-	-
	<u>10,906,896</u>	<u>4,198,910</u>	<u>6,885,260</u>	<u>-</u>
	=====	=====	=====	=====

### Summary financial information on associates and a jointly-controlled entity:

Group	Country of incorporation	Effective ownership interest		Revenue (100%)	Profit/(Loss) (100%)	Total assets (100%)	Total liabilities (100%)
		2007	2006				
		%	%	RM	RM	RM	RM
2007							
Enerpro Pte Ltd	Singapore	42	42	3,741,412	847,843	2,214,369	682,295
JobStreet.com India Private Ltd	India	50	50	1,129,172	(1,628,328)	6,104,186	611,896
Recruit Group Limited	British Virgin Islands	20	-	24,721,370	7,781,534	15,625,410	4,629,408

During the year, the Group acquired a 20 percent equity interest in Recruit Group Limited. There is an option for the repurchase of the 20 percent shares by Recruit Holdings Limited which is exercisable from 15 February 2008 to 14 August 2008. The resale price is determined as the higher of:

- HK\$ 15 million; and
- Agreed sum or sum determined by 'Specified Experts' as the fair value of the resale shares.

## 7. Other investments

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-current</b>				
At cost:				
Unquoted shares outside Malaysia	114,679	114,995	-	-
Less: Impairment loss	(114,679)	(114,995)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Current</b>				
At cost:				
Quoted unit trust and securities in				
- Malaysia	16,270,501	10,021,285	10,278,364	-
- Overseas	5,876,864	-	5,767,347	-
Less: Impairment loss	(226,122)	-	(149,497)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	21,921,243	10,021,285	15,896,214	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value:				
Quoted unit trust and securities in				
- Malaysia	16,196,266	10,342,544	10,278,364	-
- Overseas	5,724,977	-	5,617,850	-
	<hr/>	<hr/>	<hr/>	<hr/>
	21,921,243	10,342,544	15,896,214	-
	<hr/>	<hr/>	<hr/>	<hr/>



## 8. Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Property and equipment	(5,553)	(2,131)	(13,804)	(8,925)	(19,357)	(11,056)
Provisions	212,273	165,751	(55,063)	-	157,210	165,751
Tax losses carry-forward	-	529,708	-	-	-	529,708
Net tax assets/(liabilities)	206,720	693,328	(68,867)	(8,925)	137,853	684,403
	=====	=====	=====	=====	=====	=====

### Unrecognised net deferred tax assets

Net deferred tax assets have not been recognised on the following items as it is not probable that future taxable profit will be available against which the Group can utilized the benefits therefrom:

	Group		Company	
	2007 RM '000	2006 RM '000	2007 RM '000	2006 RM '000
(Taxable)/Deductible temporary differences	56	1,386	56	154
Tax losses carry-forward	1,337	886	-	-
Unabsorbed capital allowances	-	305	-	-
	1,393	2,577	56	154
	=====	=====	=====	=====

The deductible temporary differences do not expire under current tax legislation.

In the prior year, the Group excluded unutilised tax losses carry-forward of RM4,094,000 attributable to JobStreet.com India Private Ltd. which has become a jointly-controlled entity from a subsidiary previously.

### Movement in net temporary differences during the year

Group	At 1.1.2006 RM	Recognised in income statement (note 19) RM	Exchange difference RM	At 31.12.2006 RM	Recognised in income statement (note 19) RM	Exchange difference RM	At 31.12.2007 RM
Property and equipment	(10,288)	(768)	-	(11,056)	(8,479)	178	(19,357)
Provisions	142,515	21,525	1,711	165,751	(19,960)	11,419	157,210
Tax losses carry-forward	1,137,727	(622,316)	14,297	529,708	(521,135)	(8,573)	-
	1,269,954	(601,559)	16,008	684,403	(549,574)	3,024	137,853

## 9. Receivables, deposits and prepayments

		Group		Company	
	Note	2007 RM	2006 RM	2007 RM	2006 RM
<b>Trade</b>					
Trade receivables		10,050,126	10,139,617	250,960	173,256
Less: Allowance for doubtful debts		(1,408,307)	(1,873,623)	(37,023)	(53,317)
	a	8,641,819	8,265,994	213,937	119,939
<b>Non-trade</b>					
Amounts due from subsidiaries	b	-	-	23,328,613	26,965,483
Amounts due from affiliates	b	491,079	-	445,879	-
Amount due from a jointly-controlled entity	b	225,580	203,764	-	-
Other receivables, deposits and prepayments		918,702	1,719,128	-	226,179
		1,635,361	1,922,892	23,774,492	27,191,662
		10,277,180	10,188,886	23,988,429	27,311,601

### Note a

Trade receivables denominated in a currency other than the functional currency comprise RM324,829 (2006: RM365,518) of trade receivables denominated in U.S. Dollar.

### Note b

The amounts due from subsidiaries, affiliates and a jointly-controlled entity are unsecured, interest free and repayable on demand.

## 10. Cash and cash equivalents

		Group		Company	
		2007 RM	2006 RM	2007 RM	2006 RM
Deposits with licensed banks		50,246,652	32,872,385	6,260,000	-
Cash and bank balances		4,233,707	3,452,762	334,218	391,173
		54,480,359	36,325,147	6,594,218	391,173

## 11. Capital and reserves

### Share capital

	Note	Group and Company			
		Amount 2007 RM	Number of shares 2007	Amount 2006 RM	Number of shares 2006
Authorised:					
Ordinary shares					
Opening balance *		50,000,000	500,000,000	50,000,000	500,000,000
Created during the financial year *	11.1	50,000,000	500,000,000	-	-
Consolidation	11.4	-	(500,000,000)	-	-
Closing balance #		100,000,000	500,000,000	50,000,000	500,000,000
Issued and fully paid:					
Ordinary shares					
Opening balance *		20,306,500	203,065,000	20,100,000	201,000,000
Issue of shares under employee share option scheme *	11.2	174,140	1,741,400	206,500	2,065,000
Bonus issue *	11.3	40,961,280	409,612,800	-	-
Consolidation	11.4	-	(307,209,600)	-	-
On issue at 31 December #		61,441,920	307,209,600	20,306,500	203,065,000

\* - Refers to ordinary shares of RM0.10 each

# - Refers to ordinary shares of RM0.20 each

11.1 During the financial year, the Company increased its authorised share capital from RM50,000,000 divided into 500,000,000 ordinary shares of RM0.10 each to RM100,000,000 divided into 1,000,000,000 ordinary shares of RM0.10 each by the creation of an additional 500,000,000 ordinary shares of RM0.10 each.

11.2 1,741,400 new ordinary shares of RM0.10 each was issued for cash arising from the exercise of employees' share options at a weighted average exercise price of approximately RM0.69 per ordinary share.

11.3 Bonus issue of 409,612,800 ordinary shares of RM0.10 each on the basis of 2 Bonus Shares for every ordinary shares of RM0.10 each held on 27 December 2007 ("Bonus Issue"); and

11.4 Consolidation of 2 ordinary shares of RM0.10 each after the Bonus Issue into 1 new ordinary share of RM0.20 each in JCB

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company.

## 11. Capital and reserves (continued)

### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

### Retained earnings

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank in full all its retained profits at 31 December 2007 if paid out as dividends.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

## 12. Deferred income

	Note	Group		Company	
		2007	2006	2007	2006
		RM	RM	RM	RM
Prepaid services	a	12,111,294	7,700,458	51,574	15,650
Government grant	b	17,334	50,538	-	-
		<u>12,128,628</u>	<u>7,750,996</u>	<u>51,574</u>	<u>15,650</u>
		=====	=====	=====	=====

### Note a

Prepaid services comprise of services sold to customers in advance which are yet to be utilised.

### Note b

A subsidiary has been awarded a government grant amounting to RM1,644,444, which was disbursed to the subsidiary in stages from 2003 to 2006 to fund research and development activities as specified in the grant agreement.

### 13. Payables and accruals

		Group		Company	
	Note	2007 RM	2006 RM	2007 RM	2006 RM
<b>Trade</b>					
Trade payables	a	845,816	238,336	-	6,296
		-----	-----	-----	-----
<b>Non-trade</b>					
Other payables and accrued expenses	a	6,270,075	5,010,338	402,614	103,726
Dividend payable	21	4,608,144	3,045,977	4,608,144	3,045,977
Amounts due to subsidiaries	b	-	-	8,155	-
Amounts due to affiliates	b	2,415,168	-	-	-
Amount due to a jointly-controlled entity	b	6,326	-	38	-
		-----	-----	-----	-----
		13,299,713	8,056,315	5,018,951	3,149,703
		-----	-----	-----	-----
		14,145,529	8,294,651	5,018,951	3,155,999
		=====	=====	=====	=====

#### Note a

No payables denominated in currency other than the functional currency.

#### Note b

The amounts due to subsidiaries, affiliates, and jointly-controlled entity are non-trade in nature, unsecured, interest free and repayable on demand.

## 14. Employee benefits

### Share-based payments

On 5 October 2004, the Company established a share option scheme that entitles the key management personnel and eligible employees of the Group to purchase shares in the Company. Pursuant to the scheme, options were granted to key management personnel and eligible employees on 29 November 2004, 23 February 2006 and 28 March 2007. In accordance with the scheme, the options are exercisable at the market price of the shares at the date of grant.

As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied to the options granted on 29 November 2004.

The terms and conditions of the grants are as follows; all options are to be settled by physical delivery of shares:

<b>Grant date/employees entitled</b>	<b>Number of instruments '000</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
Options granted to key management personnel on 29 November 2004*	4,700	20% upon yearly service and achievement of individual targets**	5 years
Options granted to eligible employees on 29 November 2004*	10,190	20% upon yearly service and achievement of individual targets**	5 years
Options granted to eligible employees on 23 February 2006	2,525	25% upon yearly service and achievement of individual targets**	4 years
Options granted to eligible employees on 28 March 2007	1,475	33.3% upon yearly service and achievement of individual target**	3 years
Total share options	18,890		

\* The recognition and measurement principles in FRS 2 have not been applied to these options as they were granted prior to the effective date of FRS 2.

\*\* The achievement of individual targets only applies to key management personnel and senior staff.

## 14. Employee benefits (continued)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2007	Number of options (‘000) 2007	Weighted average exercise price 2006	Number of options (‘000) 2006
Outstanding at 1 January	RM0.68	12,335	RM0.54	13,935
Granted during the year	RM1.61	1,475	RM1.35	2,525
Lapsed during the year	RM1.17	(1,082)	RM0.71	(2,015)
Forfeited during the year	-	-	RM0.54	(45)
Exercised during the year	RM0.69	(1,741)	RM0.54	(2,065)
Adjustment during the year	RM0.50	5,492	-	-
Outstanding at 31 December	RM0.50	16,479	RM0.68	12,335
Exercisable at 31 December	RM0.41	2,400	RM0.54	565

The options outstanding at 31 December 2007 have an exercise price in the range of RM0.36 to RM1.08 and a weighted average contractual life of 1.92 years.

During the year, 1,741,400 share options were exercised (2006 – 2,065,000). The weighted average share price for the year was RM2.06 (2006 - RM1.76).

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a trinomial lattice model, with the following inputs:

	Eligible employees 2007	2006
<b>Fair value of share options and assumptions</b>		
Fair value at grant date	RM0.43	RM0.49
Weighted average share price	1.79	1.49
Exercise price	1.61	1.35
Expected volatility (weighted average volatility)	27.42%	37.19%
Option life (expected weighted average life)	3 years	4 years
Expected dividends	8.97 sen	12.60 sen
Risk-free interest rate (based on Malaysian government bonds)	3.45%	3.68%



**14. Employee benefits (continued)****Value of employee services received for issue of share options**

	Note	Group	
		2007 RM	2006 RM
Share options granted in 2006		208,154	392,020
Share options granted in 2007		204,546	-
Total expense recognised as share based payments	18	<u>412,700</u>	<u>392,020</u>
		=====	=====

**15. Revenue**

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Services	82,426,920	65,513,378	753,393	565,349
Dividends	-	-	18,464,067	26,098,277
Investment distribution income	652,217	230,480	652,217	230,480
	<u>83,079,137</u>	<u>65,743,858</u>	<u>19,869,677</u>	<u>26,894,106</u>
	=====	=====	=====	=====

**16. Other operating expenses/(income)**

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other operating expenses/(income) is arrived at after charging:				
Auditor's remuneration				
- Statutory audit				
KPMG	65,000	55,000	40,000	35,000
Affiliates of KPMG	94,819	85,286	-	-
Other auditors	16,031	43,481	-	-
- Other services				
KPMG	101,133	25,000	10,000	25,000
Impairment loss on goodwill	160,366	-	-	-
Loss on disposal of property and equipment	-	476	-	-
Impairment loss on other investment	226,122	-	149,497	-
Impairment loss on investment in associates and a jointly-controlled entity	438,012	-	-	-
Property and equipment written off	1,139	361	-	-
Realised foreign exchange loss	496,608	240,682	5,080	814
Unrealised foreign exchange loss	84,658	98,910	10,909	69,172
	=====	=====	=====	=====

## 16. Other operating expenses/(income) (continued)

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
and crediting:				
Grant income	71,106	47,388	-	-
Rental income	92,648	-	-	-
Gain on disposal of investment in unit trusts	236,228	-	236,228	-
Gain on disposal of property and equipment	1,868	-	-	-
	=====	=====	=====	=====

## 17. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Directors				
- Fees	115,750	76,750	115,750	76,750
- Remuneration	667,809	558,712	-	-
	-----	-----	-----	-----
Total short-term employee benefits	783,559	635,462	115,750	76,750
	-----	-----	-----	-----
Other key management personnel:				
- Remuneration	640,162	510,876	-	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	600	600	-	-
	-----	-----	-----	-----
	640,762	511,476	-	-
	-----	-----	-----	-----
	1,424,321	1,146,938	115,750	76,750
	=====	=====	=====	=====

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

## 18. Staff costs

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Salaries and other employee benefits		21,101,155	16,946,811	237,983	275,140
EPF contributions		1,885,597	1,611,086	25,441	30,155
Share-based payments	14	412,700	392,020	13,270	73,201
		<u>23,399,452</u>	<u>18,949,917</u>	<u>276,694</u>	<u>378,496</u>
		=====	=====	=====	=====

The number of employees of the Group and of the Company at the end of the year was 345 (2006: 293) and Nil (2006: Nil) respectively. The Company's staff requirement is supported by a subsidiary.

## 19. Tax expense

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Continuing operation</b>					
Total tax expense		3,379,481	2,267,789	11,348	40,525
		<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Major components of tax expense include:					
<b>Current tax</b>					
Malaysia - current		140,610	85,000	4,610	25,000
- prior year		(511)	18,229	6,738	15,525
Overseas - current		2,689,808	1,563,001	-	-
		<u>2,829,907</u>	<u>1,666,230</u>	<u>11,348</u>	<u>40,525</u>
Total current tax recognised in the income statement		2,829,907	1,666,230	11,348	40,525
<b>Deferred tax</b>					
Origination and reversal of temporary differences	8	549,574	601,559	-	-
		<u>549,574</u>	<u>601,559</u>	<u>-</u>	<u>-</u>
Total tax expense		3,379,481	2,267,789	11,348	40,525
		=====	=====	=====	=====

## 19. Tax expense (continued)

### Reconciliation of effective tax expense

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Profit for the year	30,283	22,628	18,818	26,042
Tax expense	3,379	2,268	11	41
Profit before tax	33,662	24,896	18,829	26,083
Tax calculated using Malaysian tax rate of 27% (2006: 28%)	9,089	6,971	5,084	7,303
Effect of tax rates in foreign jurisdictions	123	75	-	-
Effect of lower tax rate for a subsidiary*	(37)	(26)	-	-
Non-taxable income	(286)	(1,008)	(5,161)	(7,378)
Tax exempt income	(5,865)	(4,603)	-	-
Non-deductible expenses	451	586	108	57
Recognition of tax losses not recognised previously	(58)	-	-	-
Change in unrecognised temporary differences	(37)	255	(27)	43
	3,380	2,250	4	25
(Over)/Under provided in prior year	(1)	18	7	16
Tax expense	3,379	2,268	11	41
	=====	=====	=====	=====

\* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

Under the Multimedia Super Corridor (“MSC”) status, the Company and a subsidiary have been granted pioneer status under the Promotion of Investments Act, 1986 in respect of their internet related services. The income from pioneer activities of the Company is fully exempted from Malaysian income tax for five years from 21 February 2004 to 20 February 2009 and is renewable to ten years. In respect of the subsidiary, the original tax exemption was from 28 May 1999 to 27 May 2004. The exemption has been extended to 27 May 2009.

The current Malaysian taxation is in respect of interest income.

## 20. Earnings per share

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2007 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	<b>Group</b>	
	<b>2007 RM</b>	<b>2006 RM</b>
Profit for the year attributable to ordinary shareholders	28,886,030 =====	21,709,231 =====
Weighted average number of ordinary shares		
	<b>Group</b>	
	<b>2007</b>	<b>2006</b>
Issued ordinary shares at 1 January	304,597,500	301,500,000*
Effect of share options issued on 6 April 2006	-	1,457,022*
Effect of share options issued on 13 June 2006	-	617,043*
Effect of share options issued on 6 June 2007	1,173,263	-
Effect of share options issued on 19 October 2007	61,856	-
Effect of share options issued on 11 Dec 2007	14,844	-
Weighted average number of ordinary shares at 31 December	305,847,463 =====	303,574,065* =====
	<b>Group</b>	
	<b>2007</b>	<b>2006</b>
Basic earnings per share (sen)	9.44 =====	7.15* =====

### Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2007 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	<b>Group</b>	
	<b>2007 RM</b>	<b>2006 RM</b>
Profit for the year attributable to ordinary shareholders (diluted)	28,886,030 =====	21,709,231 =====

## 20. Earnings per share (continued)

Weighted average number of ordinary shares (diluted)

	<b>Group</b>	
	<b>2007</b>	<b>2006</b>
Weighted average number of ordinary shares at 31 December	305,847,463	303,574,065*
Effect of share options on issue	12,365,938	11,509,803*
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 31 December	318,213,401	315,083,868*
	<hr/>	<hr/>

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

	<b>Group</b>	
	<b>2007</b>	<b>2006</b>
Diluted earning per share (sen)	9.08	6.89*
	<hr/>	<hr/>

\* Pursuant to FRS 133, Earnings Per Share, the comparative earnings per share for the year ended 31 December 2006 have been adjusted for the bonus issue of two new ordinary shares for every one ordinary share of RM0.10 each held, and the share consolidation of two ordinary shares of RM0.10 each held after the bonus issue into one new ordinary share of RM0.20 each in the Company completed on 28 December 2007, as if these events had occurred since 1 January 2006.

## 21. Dividends

Dividends recognised in the current year by the Company are:

	<b>Sen per share</b>	<b>Total amount RM</b>	<b>Date of payment</b>
2007			
First interim 2007 tax exempt	1.50	4,608,144	28 January 2008
Total amount		<hr/> 4,608,144 <hr/>	
2006			
Final 2005 tax exempt	1.25	2,538,311	5 July 2006
First interim 2006 tax exempt	1.50	3,045,977	10 January 2007
Total amount		<hr/> 5,584,288 <hr/>	

## 22. 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 investments and related revenue, corporate assets and head office expenses, tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year 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:

2007

Malaysia

Singapore

Philippines

Bangladesh, Hong Kong, Indonesia, Japan and British Virgin Islands ("Others")

2006

Malaysia

Singapore

Philippines

Indonesia and Hong Kong ("Others")

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## 22. Segmental reporting (continued)

	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Consolidated RM
<b>2007</b>						
<i>Geographical segments</i>						
Revenue from external customers	53,815,325	13,861,100	11,903,225	3,499,487	-	83,079,137
Inter-segment revenue	21,819,826	-	-	-	(21,819,826)	-
Total revenue	75,635,151	13,861,100	11,903,225	3,499,487	(21,819,826)	83,079,137
<b>Segment result</b>						
Operating profit	21,756,592	3,964,037	6,620,833	(913,627)	(3,911)	31,423,924
Interest income	619,382	153,499	318,773	3,198	-	1,094,852
Finance costs	-	-	-	(7,802)	-	(7,802)
Dividend income	18,464,067	14,692,179	-	-	(33,156,246)	-
Share of profit/(loss) after tax and minority interest of associates and a jointly-controlled entity	1,610,177	(458,418)	-	-	-	1,151,759
Profit before tax	42,450,218	18,351,297	6,939,606	(918,231)	(33,160,157)	33,662,733
Tax expense	(140,099)	(907,688)	(2,316,377)	(15,317)	-	(3,379,481)
Profit for the year	42,310,119	17,443,609	4,623,229	(933,548)	(33,160,157)	30,283,252



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## 22. Segmental reporting (continued)

2007	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Consolidated RM
<b>Segment assets</b>	78,367,673	19,558,727	10,693,733	3,163,084	-	111,783,217
Unallocated assets						2,854,767
						<hr/>
Total assets						114,637,984
						=====
<b>Segment liabilities</b>	14,928,558	4,773,821	4,857,743	1,714,035	-	26,274,157
Unallocated liabilities						1,944,468
						<hr/>
Total liabilities						28,218,625
						=====
Capital expenditure	974,986	18,667	165,885	177,749	-	1,337,287
Depreciation	1,183,774	79,594	104,793	87,633	-	1,455,794

**22. Segmental information (continued)**

	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Consolidated RM
<b>2006</b>						
<i>Geographical segments</i>						
Revenue from external customers	45,696,953	9,971,029	7,939,750	2,136,126	-	65,743,858
Inter-segment revenue	27,985,561	-	-	-	(27,985,561)	-
Total revenue	73,682,514	9,971,029	7,939,750	2,136,126	(27,985,561)	65,743,858
<b>Segment result</b>						
Operating profit	15,805,690	2,347,104	4,383,291	(1,651,818)	(19,680)	20,864,587
Interest income	371,396	132,754	292,086	4,946	-	801,182
Gain on deemed disposal of:						
- a subsidiary	-	-	-	3,294,567	-	3,294,567
- an associate	-	24,832	-	-	-	24,832
Dividend income	26,098,277	24,185,635	-	-	(50,283,912)	-
Share of profit/(loss) after tax and minority interest of an associate and a jointly-controlled entity	-	12,287	-	(101,221)	-	(88,934)
Profit before tax	42,275,363	26,702,612	4,675,377	1,546,474	(50,303,592)	24,896,234
Taxation	(103,229)	(620,953)	(1,546,229)	2,622	-	(2,267,789)
Profit for the year	42,172,134	26,081,659	3,129,148	1,549,096	(50,303,592)	22,628,445

**22. Segmental reporting (continued)**

<b>2006</b>	<b>Malaysia RM</b>	<b>Singapore RM</b>	<b>Philippines RM</b>	<b>Others RM</b>	<b>Eliminations RM</b>	<b>Consolidated RM</b>
<b>Segment assets</b>	50,347,449	15,791,832	7,615,548	813,190	-	74,568,019
Unallocated assets						3,680,130
						<hr/>
Total assets						78,248,149
						=====
<b>Segment liabilities</b>	10,053,858	2,990,919	2,912,718	88,152	-	16,045,647
Unallocated liabilities						826,483
						<hr/>
Total liabilities						16,872,130
						=====
Capital expenditure	2,508,680	45,281	94,071	330,949	-	2,978,981
Depreciation	872,972	91,285	116,187	81,080	-	1,161,524

## 23. Financial instruments

### Financial risk management objectives and policies

Exposure to credit, interest rate, currency and liquidity risks arises in the normal course of the Group's business. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

### Credit risk

Management monitors the Group's exposure to credit risk on an ongoing basis. Credit reviews are performed on an ongoing basis and services for customers with poor payment track records are suspended.

At balance sheet date, approximately 26% (2006 - 27%) of the trade receivables was concentrated on 3 debtors (2006 - 3). The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

### Interest rate risk

Deposits are placed with licensed banks with varying maturing dates.

### *Effective interest rates and repricing analysis*

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

Group	Effective interest rate per annum %	2007		Effective interest rate per annum %	2006	
		Total RM	Within 1 year RM		Total RM	Within 1 year RM
Financial assets						
Deposits with licensed banks	3.18	50,246,652	50,246,652	3.44	32,872,385	32,872,385
Company						
Financial assets						
Deposits with licensed banks	2.86	6,260,000	6,260,000	-	-	-

### Liquidity risk

The Group monitors and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effect of fluctuations in cash flow.

## 23. Financial instruments

### Currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily US Dollars, Hong Kong Dollars and Singapore Dollars. The Group does hedge these exposures to a certain extent by entering into forward currency contracts at present. The Group considers the impact of the fluctuation in the foreign currencies to be immaterial as the volume of foreign currency transactions is insignificant.

### Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, other payables and accruals approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Company's inter-company balances with its subsidiaries, affiliates and a jointly-controlled entity due principally to the lack of fixed repayment terms. However, the Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be received.

The fair value of quoted financial assets, together with the carrying amount shown in the balance sheets, is as follows:

	Group			
	2007		2006	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Quoted unit trusts in Malaysia	16,196,266	16,196,266	10,021,285	10,342,544
Quoted shares in Overseas	5,724,977	5,724,977	-	-
	21,921,243	21,921,243	10,021,285	10,342,544
	Company			
	2007		2006	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Quoted unit trusts in Malaysia	10,278,364	10,278,364	10,021,285	10,342,544
Quoted shares in Overseas	5,617,850	5,617,850	-	-
	15,896,214	15,896,214	10,021,285	10,342,544

## 24. Operating leases

### *Leases as lessee*

Non-cancellable operating lease rentals are payable as follows:

	<b>Group</b>	
	<b>2007 RM</b>	<b>2006 RM</b>
Less than one year	404,789	449,657
Between one and five years	158,563	245,954
	<hr/>	<hr/>
	563,352	695,611
	=====	=====

The Group leases a number of offices under operating leases. The leases typically run for an initial period of two years, with an option to renew the leases. None of the leases include contingent rentals.

## 25. Capital commitments

	<b>Group/ Company</b>	
	<b>2007 RM</b>	<b>2006 RM</b>
<b>Capital expenditure commitments</b>		
<b>Property and equipment</b>		
Contracted but not provided for and payable:		
Within one year	19,400	213,400
One year or later and no later than five years	-	97,000
	<hr/>	<hr/>
	19,400	310,400
	=====	=====

## 26. Related parties

### **Identity of related parties**

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associates, joint venture entity, Directors and key management personnel.

### **Transactions with key management personnel**

Key management personnel compensation is disclosed in Note 17.

## 26. Related parties (continued)

### Other related party transactions

Company	Note	Transaction value year ended 31 December	
		2007 RM	2006 RM
<b>Dividend income</b>			
JobStreet.com Pte. Ltd.	15	18,464,067	26,098,277
		=====	=====

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances is secured.

## 27. Acquisition of subsidiary companies

### Business combination

On 29 June 2007, the Company completed the subscription of 60,000 new shares with a nominal value of BDT 10 each representing 60% of the issued and paid-up share capital of JS E-Recruitment Limited for a cash consideration of BDT 4,200,000 (RM213,180).

On 25 September 2007, the Company incorporated a new wholly-owned subsidiary named JS Overseas Holdings Limited ("JSOH") in BVI and subscribed for 10,000 ordinary new shares of USD1.00 each in JSOH for a consideration of USD10,000.00 (RM34,350).

On 1 November 2007, the Company completed the subscription of 360 new shares representing 60% of the issued and paid-up share capital in JobStreet Kabushiki Kaisha ("JKK") for a cash consideration of JPY18,000,000 (RM524,430).

## 27. Acquisition of subsidiary companies (continued)

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Note	Pre-acquisition carrying amounts RM	Fair value adjustments RM	Recognised values on acquisition RM
Identifiable assets and liabilities		1,263,700	-	1,263,700
Less: Minority interest		-	-	(491,740)
		=====		-----
Net identifiable assets and liabilities				771,960
Goodwill on acquisition	4			-
				-----
Consideration paid, satisfied in cash				771,960
Cash acquired				(1,263,700)
				-----
Net cash inflow				(491,740)
				=====

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

## 28. Disposal of equity interest in a subsidiary

On 17 November 2006, E-18 Limited (formerly known as Tadcaster Holdings Limited), a subsidiary of Television Eighteen India Limited, subscribed for 424,500 new ordinary shares of JobStreet.com India Private Limited ("JobStreet India") corresponding to 50% of the enlarged equity capital of JobStreet India. The subscription by E-18 Limited resulted in a change in the status of JobStreet India from a subsidiary to a jointly-controlled entity of the Group.



## 28. Disposal of equity interest in a subsidiary (continued)

The disposal of the equity interest had the following effect on the Group's assets and liabilities on disposal date:

	Note	Group 2006 RM
Property and equipment	3	48,640
Receivables, deposits and prepayments		770,186
Cash and cash equivalents		66,675
Payables and accruals		(1,129,806)
Identifiable assets and liabilities disposed		(244,305)
Goodwill disposed	4	876,025
		631,720
Less: Equity interest		(315,860)
Net identifiable assets and liabilities		315,860
Gain on disposal of equity interest		3,294,567
Total consideration on disposal of equity interest		3,610,427
Increase in share of reserve in a jointly-controlled entity		(3,610,427)
		-
Cash disposed		(66,675)
Net cash outflow on disposal of equity interest		(66,675)
		=====

Pursuant to the Subscription and Shareholders' Agreement dated 10 July 2007, JobStreet.com Pte Ltd ("JobStreet Singapore") has granted an option to E-18 Limited (formerly known as Tadcaster Holdings Limited) ("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 Private Ltd ("JobStreet India") corresponding to 20% of the enlarged equity share capital of JobStreet India ("Option Shares") ("Call Option"). The 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.

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## 28. Disposal of equity interest in a subsidiary (continued)

The price payable for the Option Shares ("Option Price") shall be:

- 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"); and
- 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.

## 29. Significant events

- (a) On 15 February 2007, the Company completed the subscription of 1,000 ordinary shares of USD1.00 each representing 10% of the enlarged share capital of Recruit Group Limited ("RGL") for a cash consideration of HKD 7,500,000 and the purchase of 1,000 ordinary shares of USD1.00 each representing 10% of the enlarged share capital of RGL from Recruit (BVI) Limited for a cash consideration of HKD7,500,000.
- (b) On 29 June 2007, the Company completed the subscription of 60,000 new ordinary shares of BDT 10 each representing 60% of the issued and paid-up share capital of JS E-Recruitment Ltd. for a total cash consideration of BDT 4,200,000.
- (c) On 1 October 2007, the Company completed the subscription of 10,000 new ordinary shares of USD1.00 each representing the entire issued and paid-up share capital of JS Overseas Holdings Limited.
- (d) On 1 November 2007, the Company completed the subscription of 360 new shares representing 60% of the enlarged issued and paid-up share capital of JobStreet Kabushiki Kaisha for a cash consideration of JPY18,000,000.

## 29. Significant events (continued)

- (e) On 28 December 2007, the Company completed the following:
- (i) Increase in the authorised share capital of the Company from RM50 million to RM100 million by the creation of an additional 500 million ordinary shares of RM0.10 each in the Company;
  - (ii) Bonus issue of 409,612,800 new ordinary shares on the basis of 2 new ordinary shares for every ordinary share of RM0.10 each held on 27 December 2007 (“Bonus Issue”);
  - (iii) Consolidation of 2 ordinary shares of RM0.10 each after the Bonus Issue into 1 new ordinary share of RM0.20 each; and
  - (iv) Transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of RM61,441,920 comprising 307,209,600 ordinary shares of RM0.20 each from the MESDAQ Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) to the Main Board of Bursa Securities.

## 30. Subsequent events

- (a) The Company had on 4 March 2008 acquired two (2) ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Autoworld.com.my Sdn Bhd (“Autoworld”) from Mr Lim Chao Li and Mr Ng Kay Yip for a total cash consideration of RM2.00 thereby resulting in Autoworld becoming a wholly-owned subsidiary of the Company.
- (b) The Company had on 10 April 2008 entered into a Subscription and Share Swap Agreement (“SSSA”) to subscribe for 26,250,000 new ordinary shares of HK\$0.20 each in the share capital of Recruit Holdings Limited (“RHL”) at the issue price of HK\$1.00 per share representing approximately 8.64% of the enlarged issued share capital of RHL to be satisfied by way of a cash payment of HK\$11,250,000.00 to RHL and the transfer of 2,000 ordinary shares of USD1.00 each in the share capital of Recruit Group Limited currently owned legally and beneficially by JCB to RHL or its nominee.

The principal activity of RHL is an investment holding company while its subsidiary companies are principally involved in the media advertising business, including recruitment and inflight magazine, and printing business in Hong Kong and China.