

**JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

**and its subsidiaries**

**Financial statements for the period  
ended 31 December 2004**

Domiciled in Malaysia  
Principal place of business  
Suite C207, 2<sup>nd</sup> Floor  
Block 3440, Enterprise 1  
Jalan Teknokrat 3  
63000 Cyberjaya

# **JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

## **and its subsidiaries**

### **Directors' report for the period from 6 February 2004 (date of incorporation) to 31 December 2004**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the period from 6 February 2004 (date of incorporation) to 31 December 2004.

### **Principal activities**

The principal activities of the Company are in the provision of interactive marketing services and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 3 to the financial statements. There has been no significant change in the nature of these activities since the date of incorporation.

### **Results**

	<b>Group RM</b>	<b>Company RM</b>
Net profit for the period	2,413,154 =====	38,405 =====

### **Reserves and provisions**

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

### **Dividend**

No dividend was paid during the period and the Directors do not recommend any dividend to be paid for the period under review.

### **Directors of the Company**

Directors who served since the date of incorporation are:

Datuk Ali bin Abdul Kadir (appointed on 1 October 2004)  
 Tan Sri Dato' Dr. Lin See Yan (appointed on 1 October 2004)  
 Lim Chao Li (appointed on 1 October 2004)  
 Ng Kay Yip (First Director)  
 Chang Mun Kee (First Director)  
 Suresh A/L Thirugnanam (appointed on 1 October 2004)

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The holdings and deemed holdings in the ordinary and preference shares of the Company and of its related corporations of those who were Directors at period 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 6.2.2004/ Date of appointment	Acquired	Share split	Disposed	At 31.12.2004
Datuk Ali bin Abdul Kadir	0.10	-	2,000,000	-	-	2,000,000
Tan Sri Dato' Dr Lin See Yan	0.10	-	1,000,000	-	-	1,000,000
Lim Chao Li	1.00	-	1,788,871	(1,788,871)	-	-
	0.10	-	-	17,888,710	-	17,888,710
Ng Kay Yip	1.00	1	2,042,553	(2,042,554)	-	-
	0.10	-	-	20,425,540	(300,000)	20,125,540
Chang Mun Kee	1.00	1	3,411,524	(3,411,525)	-	-
	0.10	-	-	34,115,250	(300,000)	33,815,250
Suresh A/L Thirugnanam	1.00	-	997,694	(997,694)	-	-
	0.10	-	-	9,976,940	(100,000)	9,876,940

JobStreet.com Pte Ltd	Nominal value SGD	Number of shares			
		At 6.2.2004	Acquired	Disposed	At 31.12.2004
Lim Chao Li					
- ordinary shares	0.01	1,727,500	33,240	(1,760,740)	-
- series A redeemable convertible preference shares	0.01	4,748	-	(4,748)	-
Ng Kay Yip					
- ordinary shares	0.01	1,727,500	154,570	(1,882,070)	-
- series A redeemable convertible preference shares	0.01	11,653	-	(11,653)	-
Chang Mun Kee					
- ordinary shares	0.01	2,852,500	123,960	(2,976,460)	-
- series A redeemable convertible preference shares	0.01	-	8,546	(8,546)	-
Suresh A/L Thirugnanam					
- ordinary shares	0.01	230,000	640,460	(870,460)	-
- series A redeemable convertible preference shares	0.01	-	8,546	(8,546)	-

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	Nominal value PHP	Number of ordinary shares			
		At 6.2.2004	Acquired	Disposed	At 31.12.2004
<b>JobStreet.com Philippines Inc</b>					
Chang Mun Kee	1.00	1*	-	-	1*

	Nominal value HKD	Number of ordinary shares			
		At 6.2.2004	Acquired	Disposed	At 31.12.2004
<b>Jobstreet.com Limited</b>					
Chang Mun Kee	1.00	1*	-	-	1*

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

Company	Number of options over ordinary shares of RM0.10 each At 6.2.2004/ Date of appointment				At 31.12.2004
	Granted	Exercised			
Datuk Ali bin Abdul Kadir	-	1,000,000	-	-	1,000,000
Tan Sri Dato' Dr Lin See Yan	-	1,000,000	-	-	1,000,000
Chang Mun Kee	-	1,500,000	-	-	1,500,000
Suresh A/L Thirugnanam	-	800,000	-	-	800,000

By virtue of their interests in the shares of the Company, the Directors are also deemed to have an interest in the shares of the subsidiaries of the Company during the financial year to the extent that the Company has an interest.

## Directors' benefits

Since the date of incorporation, no Director of the Company has received or 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) 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 period 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.

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## Issue of shares

The Company was incorporated on 6 February 2004 with an authorised share capital of RM50,000,000, consisting of 50,000,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM2, consisting of 2 ordinary shares of RM1.00 each.

During the financial period, the Company undertook the following:

- (i) Issuance of 18,299,998 ordinary shares of RM1.00 each at RM1.01 per share (rounded to nearest sen) for the acquisition of subsidiaries;
- (ii) Share split of the Company's authorised and issued and paid-up capital of 50,000,000 ordinary shares of RM1.00 each and 18,300,000 ordinary shares of RM1.00 each into 500,000,000 ordinary shares of RM0.10 each and 183,000,000 ordinary shares of RM0.10 each, respectively; and
- (iii) Issuance of 18,000,000 ordinary shares of RM0.10 each at RM0.54 each for cash, pursuant to the Company's Initial Public Offering ("IPO") exercise, comprising 3,000,000 new ordinary shares of RM0.10 each available for application by the public; 6,000,000 new ordinary shares of RM0.10 each available for application by the eligible directors and employees and/or other persons and companies; and 9,000,000 new ordinary shares of RM0.10 each available for placement to identified investors.

All additional new ordinary shares issued during the financial period rank pari-passu with the existing shares of the Company.

There were no other changes in the issued and paid-up capital of the Company during the financial period.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the period apart from the issue of options pursuant to the Employee Share Option Scheme ("ESOS").

At an extraordinary general meeting held on 5 October 2004, the Company's shareholders approved the establishment of an 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 options offered to take up unissued ordinary shares of RM0.10 each and the option prices are as follows:-

Date of offer	Option price	Number of options over ordinary shares of RM0.10 each			
		Balance at 6.2.2004	Granted	Exercised	Balance at 31.12.2004
29.11.2004	RM0.54	-	14,890,000	-	14,890,000

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The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of option holders to whom less than 310,000 options have been granted during the period and details of their holdings. The remaining option holders, other than the Directors, are as follows:

	<b>Number of options over ordinary shares of RM0.10 each</b>			
	<b>Balance at 6.2.2004</b>	<b>Granted</b>	<b>Exercised</b>	<b>Balance at 31.12.2004</b>
Gregory Charles Poarch	-	800,000	-	800,000
Lim Woon Siew	-	350,000	-	350,000
Natarajan Muralidharan	-	800,000	-	800,000
Sito Kok Heong	-	400,000	-	400,000
Tan Beng Kheng	-	350,000	-	350,000
Tay Kok Choon	-	500,000	-	500,000
Wong Siew Hui	-	800,000	-	800,000

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 period 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.

## **Other statutory information**

Before the financial statements 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.

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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 period 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 period.

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 period 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 period ended 31 December 2004 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 period and the date of this report.

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## **Auditors**

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

Signed in accordance with a resolution of the Directors:

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

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

Kuala Lumpur,

Date: 28<sup>th</sup> April 2005



**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 12 to 37 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2004 and of the results of their operations and cash flows for the period ended on that date.

Signed in accordance with a resolution of the Directors:

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

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

Kuala Lumpur,

Date: 28<sup>th</sup> April 2005

**JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

**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 12 to 37 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 28<sup>th</sup> April 2005.

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

Before me:

## **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 12 to 37. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. 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 accounting standards in Malaysia 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 2004 and the results of their operations and cash flows for the period 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 3 to the financial statements and we have considered their financial statements and the auditors' report 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: 2613/12/06(J)

Kuala Lumpur,

Date: 28<sup>th</sup> April 2005

# JobStreet Corporation Berhad

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## and its subsidiaries

### Balance sheet at 31 December 2004

	Note	Group 2004 RM	Company 2004 RM
<b>Equipment</b>	2	1,345,556	-
<b>Investments in subsidiaries</b>	3	-	18,527,253
<b>Investment</b>	4	116,279	-
<b>Goodwill</b>		3,524,072	-
<b>Deferred tax assets</b>	10	58,732	-
<b>Current assets</b>			
Trade and other receivables	5	7,402,321	128,464
Tax recoverable		363,434	-
Cash and cash equivalents	6	24,401,203	8,003,002
		32,166,958	8,131,466
<b>Current liabilities</b>			
Trade and other payables	7	7,077,082	141,743
Taxation		250,708	-
		7,327,790	141,743
<b>Net current assets</b>		24,839,168	7,989,723
		29,883,807	26,516,976
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	8	20,100,000	20,100,000
Reserves		8,931,622	6,416,976
<b>Shareholders' funds</b>		29,031,622	26,516,976
<b>Minority shareholder's interest</b>	9	843,260	-
<b>Deferred tax liabilities</b>	10	8,925	-
		29,883,807	26,516,976

The financial statements were approved and authorised for issue by the Board of Directors on 28<sup>th</sup> April 2005.

The notes set out on pages 17 to 37 form an integral part of, and should be read in conjunction with, these financial statements.

# JobStreet Corporation Berhad

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(Incorporated in Malaysia)

## and its subsidiaries

### Income statement for the period from 6 February 2004 (date of incorporation) to 31 December 2004

	Note	Group 2004 RM	Company 2004 RM
<b>Revenue</b>		34,931,588	159,349
Other operating income		682,735	-
Advertising expenses		(603,811)	(1,720)
Allowance for doubtful debts		(380,669)	-
Contract and outsourcing cost		(8,406,594)	-
Depreciation		(540,423)	-
Rental of office and equipment		(751,754)	-
Staff costs		(10,565,544)	(94,432)
Telecommunication expenses		(297,589)	-
Traveling expenses		(470,210)	(436)
Other operating expenses		(3,160,123)	(24,356)
<b>Operating profit</b>	11	10,437,606	38,405
Interest income		283,976	-
Interest expense		(629,809)	-
<b>Profit before taxation</b>		10,091,773	38,405
Tax expense	12	(402,050)	-
<b>Profit after taxation</b>		9,689,723	38,405
Minority interests		(406,670)	-
<b>Net profit from ordinary activities</b>		9,283,053	38,405
Pre-acquisition profit		(6,869,899)	-
<b>Net profit for the period</b>		2,413,154	38,405
		=====	=====
Basic earnings per ordinary shares (sen)	14	4.57	
		=====	
Diluted earnings per ordinary shares (sen)	14	4.50	
		=====	

The notes set out on pages 17 to 37 form an integral part of, and should be read in conjunction with, these financial statements.

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### Statement of changes in equity for the period from 6 February 2004 (date of incorporation) to 31 December 2004

Group	Share capital RM	Share premium RM	Translation reserve RM	<i>Distributable</i> Retained profits RM	Total RM
<b>At 6 February 2004</b>	2	-	-	-	2
Issue of shares	20,099,998	8,147,255	-	-	28,247,253
Listing expenses	-	(1,768,684)	-	-	(1,768,684)
Exchange differences on translation of the financial statements of foreign entities	-	-	139,897	-	139,897
Net profit for the period	-	-	-	2,413,154	2,413,154
<b>At 31 December 2004</b>	<u>20,100,000</u>	<u>6,378,571</u>	<u>139,897</u>	<u>2,413,154</u>	<u>29,031,622</u>
	=====	=====	=====	=====	=====
<b>Company</b>					
<b>At 6 February 2004</b>	2	-	-	-	2
Issue of shares	20,099,998	8,147,255	-	-	28,247,253
Listing expenses	-	(1,768,684)	-	-	(1,768,684)
Net profit for the period	-	-	-	38,405	38,405
<b>At 31 December 2004</b>	<u>20,100,000</u>	<u>6,378,571</u>	<u>-</u>	<u>38,405</u>	<u>26,516,976</u>
	=====	=====	=====	=====	=====
	Note 8				

The notes set out on pages 17 to 37 form an integral part of, and should be read in conjunction with, these financial statements.

# JobStreet Corporation Berhad

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### Cash flow statement for the period from 6 February 2004 (date of incorporation) to 31 December 2004

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	10,091,773	38,405
Adjustments for:		
Depreciation	141,645	-
Equipment written off	429	-
Gain on disposal of equipment	(85)	-
Interest income	(130,101)	-
Pre-acquisition profit before tax	(7,567,067)	-
	<hr/>	<hr/>
Operating profit before working capital changes	2,536,594	38,405
Changes in working capital:		
Trade and other receivables	745,934	(128,464)
Trade and other payables and deferred income	303,595	141,743
Exchange differences	66,211	-
	<hr/>	<hr/>
Cash generated from operations	3,652,334	51,684
Income tax paid	(154,185)	-
Interest received	130,101	-
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>3,628,250</b>	<b>51,684</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Acquisition of investment	(116,279)	-
Acquisition of subsidiaries, net of cash acquired (Note17)	13,069,473	-
Purchase of equipment	(214,160)	-
Proceeds from disposal of equipment	85	-
	<hr/>	<hr/>
<b>Net cash generated from investing activities</b>	<b>12,739,119</b>	<b>-</b>
	<hr/>	<hr/>
<b>Cash flows from financing activity</b>		
Proceeds from issuance of shares net of listing expenses	7,951,316	7,951,316
	<hr/>	<hr/>
<b>Net cash generated from financing activity</b>	<b>7,951,316</b>	<b>7,951,316</b>
	<hr/>	<hr/>



**Cash flow statement for the period from 6 February 2004  
(date of incorporation) to 31 December 2004**  
(continued)

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
<b>Net increase in cash and cash equivalents</b>	24,318,685	8,003,000
<b>Cash and cash equivalents at beginning of period</b>	2	2
<b>Effects of exchange rate changes on cash and cash equivalents</b>	82,516	-
<b>Cash and cash equivalents at end of period</b>	24,401,203 =====	8,003,002 =====

**Cash and cash equivalents comprise:**

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
Fixed deposits with licensed banks	19,096,551	8,000,000
Cash and bank balances	5,304,652	3,002
	24,401,203 =====	8,003,002 =====

The notes set out on pages 17 to 37 form an integral part of, and should be read in conjunction with, these financial statements.

# **JobStreet Corporation Berhad**

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## **and its subsidiaries**

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

#### **1. Summary of significant accounting policies**

The following accounting policies are adopted by the Group and by the Company.

##### **(a) Basis of accounting**

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

##### **(b) Basis of consolidation**

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. A subsidiary excluded on these grounds is accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the period are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

## 1. Summary of significant accounting policies (continued)

### (c) Equipment

Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

#### *Depreciation*

Equipment are depreciated on a straight-line basis to write off the cost of the assets over the term of their estimated useful lives at the following principal annual rates:

Computers	25% - 33 <sup>1</sup> / <sub>3</sub> %
Furniture and fittings	10%
Office equipment	20%
Leasehold equipment	20% - 25%

### (d) Intangible asset

#### *Goodwill*

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated impairment losses (refer Note 1(j)).

### (e) Investment

Long term investments in subsidiaries are stated at cost in the Company, less impairment loss where applicable.

Unquoted investment is stated at cost less impairment losses. An allowance is made when the Directors are of the view that there is a diminution in value which is other than temporary.

### (f) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

## 1. Summary of significant accounting policies (continued)

### (g) Employee benefits

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

Wages, salaries and bonuses are recognised as expenses in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

#### (ii) *Defined contribution plans*

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

#### (iii) *Equity and equity-related compensation benefits*

The share option scheme allows Group employees to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

### (h) Liabilities

Trade and other payables are stated at cost.

### (i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

### (j) Impairment

The carrying amount of assets, except for deferred tax assets and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

## **1. Summary of significant accounting policies (continued)**

### **(j) Impairment (continued)**

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, 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. The reversal is recognised in the income statement.

### **(k) Income tax**

Tax on the profit or loss for the period comprises current and deferred tax. Income tax 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 expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## 1. Summary of significant accounting policies (continued)

### (l) Foreign currency

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

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

#### (ii) *Financial statements of foreign operations*

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the period. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

1USD	RM3.80
1SGD	RM2.33
100 PHP	RM6.74
100 INR	RM8.60

### (m) Revenue

#### (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) *Interest income*

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

## **1. Summary of significant accounting policies (continued)**

### **(n) Expenses**

#### *Operating lease payments*

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

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

### **(o) Government grants**

Grants from the government are recognised where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant income relating to costs is recognised in the income statement during the period necessary to match them with the costs they are intended to compensate.

Government grant income relating to purchase of assets is deferred and credited to the income statement on the straight line basis over the expected lives of the related assets.

## 2. Equipment

Group	Computers RM	Furniture and fittings RM	Office equipment RM	Leasehold equipment RM	Total RM
<i>Cost</i>					
At 6 February 2004	-	-	-	-	-
Additions	173,573	15,402	13,645	11,540	214,160
Disposals	(53,990)	-	(817)	-	(54,807)
Written off	-	(886)	-	-	(886)
Acquisition of subsidiaries	2,645,308	741,489	487,339	100,820	3,974,956
Exchange differences	16,502	4,075	4,391	560	25,528
At 31 December 2004	2,781,393	760,080	504,558	112,920	4,158,951
	=====	=====	=====	=====	=====
<i>Accumulated depreciation</i>					
At 6 February 2004	-	-	-	-	-
Charge for the period	100,677	23,613	10,384	6,971	141,645
Disposals	(53,990)	-	(817)	-	(54,807)
Written off	-	(457)	-	-	(457)
Acquisition of subsidiaries	1,931,592	344,660	385,354	44,822	2,706,428
Exchange differences	13,372	2,531	4,228	455	20,586
At 31 December 2004	1,991,651	370,347	399,149	52,248	2,813,395
	=====	=====	=====	=====	=====
<i>Net book value</i>					
At 31 December 2004	789,742	389,733	105,409	60,672	1,345,556
	=====	=====	=====	=====	=====



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### 3. Investments in subsidiaries

**Company  
2004  
RM**

Unquoted shares, at cost	18,527,253 =====
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The principal activities of the subsidiaries, their place of incorporation and the effective interest of the Company are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership interest 2004
* JobStreet.com Pte Ltd and its subsidiaries:	Online recruitment and human resource management services	Singapore	100%
JobStreet.com Sdn Bhd	Online recruitment and human resource management services	Malaysia	100%
* JobStreet.com Philippines Inc	Online recruitment and human resource management services	Philippines	60%
# JobStreet.com India Private Ltd	Online recruitment and human resource management services	India	100%
** Jobstreet.com Limited	Dormant	Hong Kong	100%
* Audited by member firms of KPMG International			
** Consolidated using management accounts			
# Audited by other firms of auditors other than KPMG			

### 4. Investment

**Group  
2004  
RM**

At cost	
Unquoted shares outside Malaysia	116,279 =====

**5. Trade and other receivables**

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
Trade receivables	7,417,235	-
Less: Allowance for doubtful debts	(904,422)	-
	<hr/>	<hr/>
	6,512,813	-
Amount due from a subsidiary	-	75,964
Other receivables, deposit and prepayments	664,335	52,500
Grant receivable	225,173	-
	<hr/>	<hr/>
	7,402,321	128,464
	=====	=====

The amount due from a subsidiary is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

**6. Cash and cash equivalents**

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
Fixed deposits with licensed banks	19,096,551	8,000,000
Cash and bank balances	5,304,652	3,002
	<hr/>	<hr/>
	24,401,203	8,003,002
	=====	=====

**7. Trade and other payables**

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
Trade payables	348,082	-
Other payables and accrued expenses	2,705,134	5,000
Amount due to a subsidiary	-	117,013
Deferred income	3,940,252	19,730
Deferred grant income	83,614	-
	<hr/>	<hr/>
	7,077,082	141,743
	=====	=====

The amount due to a subsidiary is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

## 8. Share capital

	<b>Group and Company 2004 RM</b>
Authorised:	
50,000,000 ordinary shares of RM1.00 each	50,000,000
Sub-division of ordinary shares of RM1.00 each to RM0.10 each	-
	<hr/>
500,000,000 ordinary shares of RM0.10 each	50,000,000
	<hr/> <hr/>
Issued and fully paid:	
Opening balance (2 ordinary shares of RM1.00 each)	2
Issuance of 18,299,998 ordinary shares of RM1.00 each	18,299,998
Sub-division of ordinary shares of RM1.00 each to RM0.10 each	-
Public issue of 18,000,000 ordinary shares of RM0.10 each	1,800,000
	<hr/>
Closing balance (201,000,000 ordinary shares of RM0.10 each)	20,100,000
	<hr/> <hr/>

## 9. Minority shareholder's interests

This consists of the minority shareholder's proportion of share capital and reserves of a subsidiary.

## 10. Deferred tax

The amounts, determined after appropriate offsetting, are as follows:

	<b>Group 2004 RM</b>
Deferred tax liabilities	(8,925)
Deferred tax assets	58,732
	<hr/>
	49,807
	<hr/> <hr/>

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

## 10. Deferred tax (continued)

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	<b>Group 2004 RM</b>
Equipment	(10,288)
Unabsorbed tax losses	1,363
Provisions	58,732
	<hr/> 49,807 <hr/> <hr/>

No deferred tax has been recognised for the following items:

Deductible temporary differences	480,000
Unabsorbed capital allowances	294,000
Unutilised tax losses	12,658,000
	<hr/> 13,432,000 <hr/> <hr/>

The deductible temporary differences, unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

## 11. Operating profit

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
Operating profit is arrived at after charging:		
Allowance for doubtful debts	380,669	-
Audit fees	116,000	25,000
Bad debts written off	162,218	-
Directors' remuneration		
- fees	5,000	5,000
- other emoluments	549,146	-
Equipment written off	429	-
Unrealised foreign exchange loss	59,989	-
	<hr/>	<hr/>
and crediting:		
Gain on disposal of equipment	137	-
Grant income	671,631	-
Realised foreign exchange gain	1,847	-
	<hr/>	<hr/>

## 11. Operating profit (continued)

The number of employees of the Group and of the Company at the end of the period was 217 and nil respectively. The Company's staff requirement is supported by a subsidiary.

Staff costs of the Group and the Company include contributions to statutory employee funds of RM900,151 and RM8,167 respectively.

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company is RM1,200 and RM600 respectively.

## 12. Tax expense

	<b>Group 2004 RM</b>	
<i><b>Current tax</b></i>		
Malaysia - current	29,300	
- prior year	2,947	
Foreign - current	461,568	
- prior year	(52,500)	
	<hr/>	
	441,315	
<i><b>Deferred tax</b></i>		
Origination and reversal of temporary differences	(39,265)	
	<hr/>	
	402,050	
	=====	
	<b>Group 2004 RM'000</b>	<b>Company 2004 RM'000</b>
<b>Reconciliation of tax expense</b>		
Profit before taxation	10,092	38
	=====	=====
Income tax using Malaysian tax rates	2,826	11
Effect of different tax rates in other countries	36	-
Tax rebate	(13)	-
Income not subject to tax	(42)	-
Tax incentives	(2,676)	(11)
Non-deductible expenses	367	-
Utilisation of tax losses previously unrecognised	(47)	-
	<hr/>	<hr/>
	451	-
Over provision in prior year	(49)	-
	<hr/>	<hr/>
Tax expense	402	-
	=====	=====

## 12. Tax expense (continued)

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 now been extended to 27 May 2009.

No tax expense has been provided for in the financial statements of the Company as all its income is tax exempted.

The current Malaysian taxation is in respect of interest income.

## 13. Lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:-

	<b>Group 2004 RM</b>
Less than one year	647,236
Between one and five years	174,072
	<hr/> 821,308 <hr/> <hr/>

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.

## 14. Earnings per ordinary shares - Group

### *Basic earnings per share*

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM2,413,154 and the weighted average number of ordinary shares outstanding during the period of 52,763,651.

### *Weighted average number of ordinary shares*

	<b>2004</b>
Issued ordinary shares at beginning of the period	20
Effect of shares issued during the period	52,763,631
	<hr/> 52,763,651 <hr/> <hr/>

## 14. Earnings per ordinary shares – Group (continued)

### *Diluted earnings per share*

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM2,413,154 and the weighted average number of ordinary shares outstanding during the period of 53,573,632 calculated as follows:

### *Weighted average number of ordinary shares (diluted)*

	<b>2004</b>
Weighted average number of ordinary shares as above	52,763,651
Effect of share options	809,981
	<hr/>
Weighted average number of ordinary shares (diluted)	53,573,632
	<hr/> <hr/>

## 15. Segmental information

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. Inter-segment pricing is determined based on negotiated terms. 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 mainly comprise corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

### *Geographical segments*

The Group comprises the following main geographical segments:

Malaysia  
Singapore  
Philippines and India ("others")

**15. Segmental information (continued)**

	<b>Malaysia 2004 RM</b>	<b>Singapore 2004 RM</b>	<b>Others 2004 RM</b>	<b>Elimination 2004 RM</b>	<b>Consolidated 2004 RM</b>
<i>Geographical segments</i>					
Revenue from external customers	25,549,927	4,146,878	5,234,783	-	34,931,588
Inter-segment revenue	370,177	-	-	(370,177)	-
<b>Total revenue</b>	<b>25,920,104</b>	<b>4,146,878</b>	<b>5,234,783</b>	<b>(370,177)</b>	<b>34,931,588</b>
<b>Segment result</b>					
Operating profit	7,978,336	1,027,093	1,434,803	(2,626)	10,437,606
Interest expense	-	(628,732)	(1,077)	-	(629,809)
Interest income	149,542	3,878	130,556	-	283,976
Profit before taxation	8,127,878	402,239	1,564,282	(2,626)	10,091,773
Tax expense	17,323	-	(419,373)	-	(402,050)
Minority interests	-	-	(406,670)	-	(406,670)
Net profit from ordinary activities	8,145,201	402,239	738,239	(2,626)	9,283,053
Pre-acquisition (profit)/loss	(6,249,031)	5,921	(597,600)	(29,189)	(6,869,899)
Net profit for the period	1,896,170	408,160	140,639	(31,815)	2,413,154



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### 15. Segmental information (continued)

	Malaysia 2004 RM	Singapore 2004 RM	Others 2004 RM	Elimination 2004 RM	Consolidated 2004 RM
<b>Segment assets</b>					
Unallocated assets	26,404,160	3,391,566	3,833,067	-	33,628,793
					3,582,804
					<hr/>
Total assets					37,211,597
					=====
<b>Segment liabilities</b>					
Unallocated liabilities	4,280,038	1,603,739	2,036,565	-	7,920,342
					259,633
					<hr/>
Total liabilities					8,179,975
					=====
Capital expenditure	122,487	81,093	10,580	-	214,160
Depreciation	103,017	11,814	26,814	-	141,645
Non-cash expenses other than depreciation	-	-	-	-	-

## **16. 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 its 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. Fixed deposits are placed only with licensed banks.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

#### **Interest rate risk**

Fixed deposits are placed with licensed banks with varying maturing dates.

#### **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, Singapore Dollars, Philippines Peso and Indian Rupee. The Group does not hedge these exposures 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.

#### **Liquidity risk**

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

## 16. Financial instruments (continued)

### *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.

	Effective interest rate per annum %	Group		Effective interest rate per annum %	Company	
		Total RM	Within 1 year RM		Total RM	Within 1 year RM
<b>Financial assets</b>						
Fixed deposits with licensed banks	3.32	19,096,551	19,096,551	2.77	8,000,000	8,000,000

### *Recognised financial instruments*

In respect of cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

It is not practical to estimate the fair value of long term unquoted investment due to the lack of information with regards to market prices. The Directors do not anticipate the fair value to be significantly different from the carrying amount at the balance sheet date.

## 17. Acquisition of subsidiaries

On 30 September 2004, the Company acquired the entire equity interest of JobStreet.com Pte Ltd for a consideration of RM18,527,253 satisfied by the issuance of 18,299,998 ordinary shares of RM1.00 each in the Company at an issue price of RM1.01 per ordinary share (rounded to nearest sen). The acquisition was accounted for using the acquisition method of accounting.

The fair values of assets and liabilities assumed in the acquisition of JobStreet.com Pte Ltd and their cash flow effects are as follows:

	<b>Acquisition 2004 RM</b>
Non current assets	
Equipment	1,268,528
Deferred tax asset	66,441
	<hr/> 1,334,969
Current assets	21,503,898
Current liabilities	(7,078,178)
Minority interest	(757,508)
	<hr/>
Net assets	15,003,181
Goodwill on acquisition	3,524,072
	<hr/>
Purchase consideration	18,527,253
Purchase consideration satisfied by share issue	(18,527,253)
	<hr/>
Purchase consideration satisfied by cash	-
Cash acquired	(13,069,473)
	<hr/>
Net cash inflow	(13,069,473)
	=====

## 17. Acquisition of subsidiaries (continued)

### *Effect of acquisition*

The acquisition of JobStreet.com Pte Ltd had the following effect on the Group's operating results, assets and liabilities as at 31 December 2004:

	<b>3 months ended 31.12.2004 RM</b>
Income statement:	
Revenue	9,383,666
Operating costs	(7,131,839)
	<hr/>
Operating profit	2,251,827
Other income	104,374
Interest income	130,101
	<hr/>
Profit before taxation	2,486,302
Tax expense	(26,126)
	<hr/>
Profit after taxation	2,460,176
Minority interests	(85,427)
	<hr/>
Increase in the Group's net profit at the end of financial period	2,374,749
	<hr/>
	<b>31.12.2004 RM</b>
Balance sheet:	
Equipment	1,345,555
Investment	116,279
Deferred tax assets	58,732
Current assets	24,111,456
Current liabilities	(7,303,061)
Deferred tax liabilities	(8,925)
	<hr/>
Minority shareholder's interest	18,320,036
	<hr/>
Net assets acquired/ Group's share of net assets	17,476,776
Goodwill on acquisition	3,524,072
	<hr/>
Increase in Group's net assets	21,000,848
	<hr/>

## 18. Significant events

During the period, the Company increased its issued and paid-up share capital from RM2 comprising 2 ordinary shares of RM1.00 each to RM20,100,000 comprising 201,000,000 ordinary shares of RM0.10 each by way of:-

- i) issuance of 18,299,998 new ordinary shares of RM1.00 each in the Company for the acquisition of subsidiaries (Note 17);
- ii) sub-division of each ordinary shares of RM1.00 each in the Company into ten (10) ordinary shares of RM0.10 each; and
- iii) the initial public offering of the Company of a total of 18,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.54 per ordinary share for application by the public, eligible directors and employees and/or other persons and companies; and identified investors.

On 29 November 2004, the entire issued and paid-up share capital of 201,000,000 ordinary shares of RM0.10 each in the Company were admitted to the official list of Bursa Malaysia Securities Berhad and granted quotation on the MESDAQ market.

## 19. Subsequent event

On 7 March 2005, a subsidiary of the Company submitted a tender for the proposed acquisition of an eight (8) storey freehold office building at a purchase price of RM10,000,000. If the tender is successful, the proposed acquisition is expected to be financed via a combination of borrowings from a financial institution and internally generated funds. Part of the proposed office building will be used for the Group's operations while unutilised floors will be made available to prospective tenants. The proposed acquisition would be subject to the approval of shareholders at a forthcoming General Meeting.

## 20. Comparative

There are no comparative figures as this is the first set of financial statements prepared by the Company since its incorporation.