

**JobStreet Corporation Berhad**

(Company No. 641378-W)

(Incorporated in Malaysia)

**and its subsidiaries**

**Financial statements for the year  
ended 31 December 2005**

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 year ended 31 December 2005**

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 2005.

### **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 3 to the financial statements. There has been no significant change in the nature of these activities during the year.

### **Results**

	<b>Group RM</b>	<b>Company RM</b>
Net profit for the year	16,371,193 =====	8,574,376 =====

### **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 period, the Company paid an interim dividend of 1.5 sen per share tax exempt totaling RM3,015,000 in respect of the financial year ended 31 December 2005 on 6 June 2005.

The Directors recommend the payment of a final dividend of 1.25 sen per share tax exempt amounting to RM2,512,500 in respect of the financial year ended 31 December 2005. This is computed based on the issued and paid up share capital as at 31 December 2005.

### **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

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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*

<b>The Company</b>	<b>Nominal value RM</b>	<b>Number of ordinary shares</b>			
		<b>At 1.1.2005</b>	<b>Acquired</b>	<b>Disposed</b>	<b>At 31.12.2005</b>
Datuk Ali bin Abdul Kadir	0.10	2,000,000	-	(400,000)	1,600,000
Tan Sri Dato' Dr Lin See Yan	0.10	1,000,000	222,200	(300,000)	922,200
Lim Chao Li	0.10	17,888,710	-	(600,000)	17,288,710
Ng Kay Yip	0.10	20,125,540	100,000	(760,000)	19,465,540
Chang Mun Kee	0.10	33,815,250	35,000	(5,250,000)	28,600,250
Suresh A/L Thirugnanam	0.10	9,876,940	-	(700,000)	9,176,940

<b>JobStreet.com Philippines Inc</b>	<b>Nominal value PHP</b>	<b>Number of ordinary shares</b>			
		<b>At 1.1.2005</b>	<b>Acquired</b>	<b>Disposed</b>	<b>At 31.12.2005</b>
Chang Mun Kee	1.00	1*	-	-	1*

<b>Jobstreet.com Limited</b>	<b>Nominal value HKD</b>	<b>Number of ordinary shares</b>			
		<b>At 1.1.2005</b>	<b>Acquired</b>	<b>Disposed</b>	<b>At 31.12.2005</b>
Chang Mun Kee	1.00	1*	-	-	1*

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

<b>Company</b>	<b>Number of options over ordinary shares of RM0.10 each</b>			
	<b>At 1.1.2005</b>	<b>Granted</b>	<b>Exercised</b>	<b>At 31.12.2005</b>
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

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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 end of the previous financial period, 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 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**

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

## **Options granted over unissued shares**

No options were granted to any person to take up unissued shares of the Company during the year.

### **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 movements in the number of options offered to take up unissued ordinary shares of RM0.10 each and the option price are as follows:-

<b>Date of offer</b>	<b>Option price</b>	<b>Number of options over ordinary shares of RM0.10 each</b>				<b>Balance at 31.12.2005</b>
		<b>Balance at 1.1.2005</b>	<b>Granted</b>	<b>Exercised</b>	<b>Lapsed</b>	
29.11.2004	RM0.54	14,890,000	-	-	(955,000)	13,935,000

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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.

## **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.

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.

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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.

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 2005 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.

## **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**

.....  
**Ng Kay Yip**

Kuala Lumpur,

Date: 25 April 2006

**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 10 to 43 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 2005 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:

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

.....  
**Ng Kay Yip**

Kuala Lumpur,

Date: 25 April 2006

**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 10 to 43 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 abovenamed in Kuala Lumpur on 25 April 2006.

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

Before me:



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

(Company No. 641378-W)  
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 10 to 43. 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 2005 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 3 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: 2613/12/06(J)

Kuala Lumpur,

Date: 25 April 2006

# JobStreet Corporation Berhad

(Company No. 641378-W)

(Incorporated in Malaysia)

## and its subsidiaries

### Consolidated balance sheet at 31 December 2005

	Note	2005 RM	2004 RM
<b>Property and equipment</b>	2	12,079,356	1,345,556
<b>Investment</b>	4	-	116,279
<b>Goodwill</b>		3,524,072	3,524,072
<b>Deferred tax assets</b>	10	1,278,879	58,732
<b>Current assets</b>			
Trade and other receivables	5	10,120,416	7,402,321
Tax recoverable		443,680	363,434
Cash and cash equivalents	6	26,558,381	24,401,203
		37,122,477	32,166,958
<b>Current liabilities</b>			
Trade and other payables	7	9,679,676	7,077,082
Taxation		307,048	250,708
		9,986,724	7,327,790
<b>Net current assets</b>		27,135,753	24,839,168
		44,018,060	29,883,807
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	8	20,100,000	20,100,000
Reserves		22,341,227	8,931,622
<b>Shareholders' funds</b>		42,441,227	29,031,622
<b>Minority shareholders' interest</b>	9	1,567,908	843,260
<b>Deferred tax liabilities</b>	10	8,925	8,925
		44,018,060	29,883,807

The financial statements were approved and authorised for issue by the Board of Directors on 25 April 2006.

The notes set out on pages 20 to 43 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

### Consolidated income statement for the year ended 31 December 2005

	Note	2005 RM	6.2.2004 to 31.12.2004 RM
<b>Revenue</b>		54,995,737	34,931,588
Other operating income	11	457,947	682,735
Advertising expenses		(904,437)	(603,811)
Allowance for doubtful debts		(615,890)	(380,669)
Contract and outsourcing cost		(15,690,306)	(8,406,594)
Depreciation		(676,492)	(540,423)
Rental of office and equipment		(950,885)	(751,754)
Staff costs	12	(14,265,662)	(10,565,544)
Telecommunication expenses		(513,734)	(297,589)
Traveling expenses		(552,342)	(470,210)
Other operating expenses	11	(5,428,213)	(3,160,123)
<b>Operating profit</b>		15,855,723	10,437,606
Interest income		738,054	283,976
Interest expense		-	(629,809)
<b>Profit before taxation</b>		16,593,777	10,091,773
Tax expense	13	377,263	(402,050)
<b>Profit after taxation</b>		16,971,040	9,689,723
Minority interests		(599,847)	(406,670)
<b>Net profit from ordinary activities</b>		16,371,193	9,283,053
Pre-acquisition profit		-	(6,869,899)
<b>Net profit for the year</b>		16,371,193	2,413,154
		=====	=====
Basic earnings per ordinary shares (sen)	15	8.14	4.57
		=====	=====
Diluted earnings per ordinary shares (sen)	15	7.83	4.50
		=====	=====
Dividends per ordinary shares – net (sen)	16	2.75	-
		=====	=====

The notes set out on pages 20 to 43 form an integral part of, and should be read in conjunction with, these financial statements.

# JobStreet Corporation Berhad

(Company No. 641378-W)

(Incorporated in Malaysia)

## and its subsidiaries

### Consolidated statement of changes in equity for the year ended 31 December 2005

				<i>Distributable</i>		
	Note	Share capital RM	Share premium RM	Translation reserve RM	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 year		-	-	-	2,413,154	2,413,154
<b>At 31 December 2004 / 1 January 2005</b>		20,100,000	6,378,571	139,897	2,413,154	29,031,622
Exchange difference on translation of the financial statements of foreign entities		-	-	53,412	-	53,412
Net profit for the year		-	-	-	16,371,193	16,371,193
Dividends	16	-	-	-	(3,015,000)	(3,015,000)
<b>At 31 December 2005</b>		20,100,000	6,378,571	193,309	15,769,347	42,441,227
		=====	=====	=====	=====	=====
		Note 8				

The notes set out on pages 20 to 43 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

### Consolidated cash flow statement for the year ended 31 December 2005

	2005 RM	2004 RM
<b>Cash flows from operating activities</b>		
Profit before taxation	16,593,777	10,091,773
Adjustments for:		
Depreciation	676,492	141,645
Gain on disposal of property and equipment	-	(85)
Impairment loss for investment	113,440	-
Interest income	(738,054)	(130,101)
Pre-acquisition profit before tax	-	(7,567,067)
Property and equipment written off	136,239	429
	<hr/>	<hr/>
Operating profit before working capital changes	16,781,894	2,536,594
Changes in working capital:		
Trade and other receivables	(2,826,116)	745,934
Trade and other payables and deferred income	2,633,045	369,806
	<hr/>	<hr/>
Cash generated from operations	16,588,823	3,652,334
Income tax paid	(754,321)	(154,185)
Interest received	738,054	130,101
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	16,572,556	3,628,250
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Acquisition of investment	-	(116,279)
Acquisition of subsidiaries, net of cash acquired (Note19)	151,747	13,069,473
Proceeds from disposal of property and equipment	121,599	85
Purchase of property and equipment	(11,669,247)	(214,160)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>	(11,395,901)	12,739,119
	<hr/>	<hr/>

## Consolidated cash flow statement for the year ended 31 December 2005

(continued)

	2005 RM	2004 RM
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(3,015,000)	-
Dividends paid to minority shareholders	(84,684)	-
Proceeds from issuance of shares net of listing expenses	-	7,951,316
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	(3,099,684)	7,951,316
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	2,076,971	24,318,685
<b>Cash and bank balances at beginning of year</b>	24,401,203	2
<b>Effects of exchange rate changes on cash and cash equivalents</b>	80,207	82,516
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	26,558,381	24,401,203
	<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	21,478,320	19,096,551
Cash and bank balances	5,080,061	5,304,652
	<hr/>	<hr/>
	26,558,381	24,401,203
	<hr/>	<hr/>

The notes set out on pages 20 to 43 form an integral part of, and should be read in conjunction with, these financial statements.

# JobStreet Corporation Berhad

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## Company balance sheet at 31 December 2005

	Note	2005 RM	2004 RM
<b>Investments in subsidiaries</b>	3	18,754,873	18,527,253
<b>Current assets</b>			
Trade and other receivables	5	5,190,238	128,464
Cash and cash equivalents	6	8,813,099	8,003,002
		14,003,337	8,131,466
<b>Current liabilities</b>			
Trade and other payables	7	681,858	141,743
		681,858	141,743
<b>Net current assets</b>		13,321,479	7,989,723
		32,076,352	26,516,976
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	8	20,100,000	20,100,000
Reserves		11,976,352	6,416,976
		32,076,352	26,516,976

The financial statements were approved and authorised for issue by the Board of Directors on 25 April 2006.

The notes set out on pages 20 to 43 form an integral part of, and should be read in conjunction with, these financial statements.



# JobStreet Corporation Berhad

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## Company income statement for the year ended 31 December 2005

	Note	2005 RM	6.2.2004 to 31.12.2004 RM
<b>Revenue</b>		9,180,159	159,349
Advertising expenses		(21,694)	(1,720)
Rental of office and equipment		(22,915)	-
Staff costs	12	(344,519)	(94,432)
Telecommunication expenses		(673)	-
Traveling expenses		(42,750)	(436)
Other operating expenses	11	(318,719)	(24,356)
		<hr/>	<hr/>
<b>Operating profit</b>		8,428,889	38,405
Interest income		220,139	-
		<hr/>	<hr/>
<b>Profit before taxation</b>		8,649,028	38,405
Tax expense	13	(74,652)	-
		<hr/>	<hr/>
<b>Profit after taxation</b>		8,574,376	38,405
		=====	=====
Dividends per ordinary shares – net (sen)	16	2.75	-
		=====	=====

The notes set out on pages 20 to 43 form an integral part of, and should be read in conjunction with, these financial statements.

# JobStreet Corporation Berhad

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## Company statement of changes in equity for the year ended 31 December 2005

	Note	Share capital RM	Share premium 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)
Net profit for the year		-	-	38,405	38,405
<b>At 31 December 2004 / 1 January 2005</b>		20,100,000	6,378,571	38,405	26,516,976
Net profit for the year		-	-	8,574,376	8,574,376
Dividends	16	-	-	(3,015,000)	(3,015,000)
<b>At 31 December 2005</b>		20,100,000	6,378,571	5,597,781	32,076,352
		=====	=====	=====	=====
	Note 8				

The notes set out on pages 20 to 43 form an integral part of, and should be read in conjunction with, these financial statements.

# JobStreet Corporation Berhad

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## Company cash flow statement for the year ended 31 December 2005

	<b>2005 RM</b>	<b>6.2.2004 to 31.12.2004 RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	8,649,028	38,405
Adjustments for:		
Dividend income	(8,500,000)	-
Interest income	(220,139)	-
	<hr/>	<hr/>
Operating (loss)/profit before working capital changes	(71,111)	38,405
Changes in working capital:		
Trade and other receivables	(61,774)	(128,464)
Trade and other payables	540,115	141,743
	<hr/>	<hr/>
Cash generated from operations	407,230	51,684
Income tax paid	(74,652)	-
Interest received	220,139	-
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>552,717</b>	<b>51,684</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary (Note19)	(227,620)	-
Dividend income	3,500,000	-
	<hr/>	<hr/>
<b>Net cash generated from investing activities</b>	<b>3,272,380</b>	<b>-</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(3,015,000)	-
Proceeds from issuance of shares net of listing expenses	-	7,951,316
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,015,000)</b>	<b>7,951,316</b>
	<hr/>	<hr/>

## Company cash flow statement for the year ended 31 December 2005

(continued)

	<b>2005 RM</b>	<b>6.2.2004 to 31.12.2004 RM</b>
<b>Net increase in cash and cash equivalents</b>	810,097	8,003,000
<b>Cash and cash equivalents at beginning of year</b>	8,003,002	2
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	8,813,099	8,003,002
	<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	8,677,769	8,000,000
Cash and bank balances	135,330	3,002
	<hr/>	<hr/>
	8,813,099	8,003,002
	<hr/>	<hr/>

The notes set out on pages 20 to 43 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 and are consistent with those adopted in previous years.

##### **(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 year 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) Property and equipment

Freehold land is stated at cost. All other property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

#### *Depreciation*

Freehold land is not amortised. Other property and 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:

Building	2%
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 year 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 the Group's 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 year 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 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 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 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 year. 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	RM3.78	(2004 :	1USD	RM3.80)
1SGD	RM2.27	(2004 :	1SGD	RM2.33)
100 PHP	RM7.04	(2004 :	100 PHP	RM6.74)
100 INR	RM8.41	(2004 :	100INR	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 years is disclosed as deferred income.

#### (ii) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

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

### **(m) Revenue (continued)**

#### **(iii) *Interest income***

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

### **(n) Expenses**

#### **(i) *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 year has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which the termination takes place.

#### **(ii) *Research and development***

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

### **(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 year necessary to match the grant with the costs the grant is 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. Property and equipment

Group	Freehold land and building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Leasehold equipment RM	Total RM
<i>Cost</i>						
At 1 January 2005	-	2,781,393	760,080	504,558	112,920	4,158,951
Additions	10,294,002	958,929	241,538	109,948	64,830	11,669,247
Disposals	-	(151,279)	-	-	(89,588)	(240,867)
Written off	-	(8,691)	(196,637)	-	-	(205,328)
Exchange differences	-	(9,842)	(1,882)	5,401	3,214	(3,109)
At 31 December 2005	10,294,002	3,570,510	803,099	619,907	91,376	15,378,894
<i>Accumulated depreciation</i>						
At 1 January 2005	-	1,991,651	370,347	399,149	52,248	2,813,395
Charge for the year	-	486,814	96,346	72,500	20,832	676,492
Disposals	-	(78,206)	-	-	(41,062)	(119,268)
Written off	-	(8,690)	(60,399)	-	-	(69,089)
Exchange differences	-	(13,798)	(859)	10,805	1,860	(1,992)
At 31 December 2005	-	2,377,771	405,435	482,454	33,878	3,299,538
<i>Net book value</i>						
At 31 December 2005	10,294,002	1,192,739	397,664	137,453	57,498	12,079,356
At 31 December 2004	-	789,742	389,733	105,409	60,672	1,345,556
Depreciation charge for the period ended 31 December 2004	-	100,677	23,613	10,384	6,971	141,645

The building has not been depreciated as it was acquired towards the end of the financial year.

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### 3. Investments in subsidiaries

	Company	
	2005	2004
	RM	RM
Unquoted shares, at cost	18,754,873	18,527,253
	=====	=====

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	
			2005	2004
* JobStreet.com Pte Ltd and its subsidiaries:	Online recruitment and human resource management services	Singapore	100%	100%
JobStreet.com Sdn Bhd	Online recruitment and human resource management services	Malaysia	100%	100%
* JobStreet.com Philippines Inc	Online recruitment and human resource management services	Philippines	60%	60%
* JobStreet.com India Private Ltd	Online recruitment and human resource management services	India	100%	100%
** Jobstreet.com Limited	Dormant	Hong Kong	100%	100%
** PT JobStreet Indonesia	Dormant	Indonesia	60%	-
* Audited by member firms of KPMG International				
** Consolidated using management accounts				

#### 4. Investment

	<b>Group</b>	
	<b>2005</b>	<b>2004</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares outside Malaysia	116,279	116,279
Less: Impairment loss	(113,440)	-
Foreign exchange differences	(2,839)	-
	<u>-</u>	<u>116,279</u>
	=====	=====

#### 5. Trade and other receivables

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade receivables	10,389,731	7,417,235	153,879	-
Less: Allowance for doubtful debts	(1,517,160)	(904,422)	-	-
	<u>8,872,571</u>	<u>6,512,813</u>	<u>153,879</u>	<u>-</u>
Amounts due from subsidiaries	-	-	5,036,359	75,964
Other receivables, deposits and prepayments	1,247,845	664,335	-	52,500
Grant receivable	-	225,173	-	-
	<u>10,120,416</u>	<u>7,402,321</u>	<u>5,190,238</u>	<u>128,464</u>
	=====	=====	=====	=====

The amounts due from subsidiaries are non-trade in nature, unsecured, interest free and have no fixed terms of repayment.

#### 6. Cash and cash equivalents

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fixed deposits with licensed banks	21,478,320	19,096,551	8,677,769	8,000,000
Cash and bank balances	5,080,061	5,304,652	135,330	3,002
	<u>26,558,381</u>	<u>24,401,203</u>	<u>8,813,099</u>	<u>8,003,002</u>
	=====	=====	=====	=====

## 7. Trade and other payables

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	238,740	348,082	12,214	-
Other payables and accrued expenses	3,539,382	2,705,134	50,415	5,000
Amounts due to subsidiaries	-	-	594,996	117,013
Deferred income	5,809,157	3,940,252	24,233	19,730
Deferred grant income	92,397	83,614	-	-
	<u>9,679,676</u>	<u>7,077,082</u>	<u>681,858</u>	<u>141,743</u>
	=====	=====	=====	=====

The amounts due to subsidiaries are non-trade in nature, unsecured, interest free and have no fixed terms of repayment.

## 8. Share capital

	Group and Company RM
Authorised:	
At 6 February 2004	
(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	-
	<u>                    </u>
At 31 December 2004/31 December 2005	
(500,000,000 ordinary shares of RM0.10 each)	50,000,000
	=====
Issued and fully paid:	
At 6 February 2004	
(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
	<u>                    </u>
At 31 December 2004/ 31 December 2005	
(201,000,000 ordinary shares of RM0.10 each)	20,100,000
	=====

## 9. Minority shareholders' interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries.

## 10. Deferred tax

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

	<b>Group</b>	
	<b>2005 RM</b>	<b>2004 RM</b>
Deferred tax liabilities	(8,925)	(8,925)
Deferred tax assets	1,278,879	58,732
	<u>1,269,954</u>	<u>49,807</u>
	=====	=====

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.

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

	<b>Group</b>	
	<b>2005 RM</b>	<b>2004 RM</b>
Property and equipment	(10,288)	(10,288)
Unutilised tax losses	1,137,727	1,363
Provisions	142,515	58,732
	<u>1,269,954</u>	<u>49,807</u>
	=====	=====

No deferred tax has been recognised for the following items:

Deductible temporary differences	11,000	480,000
Unabsorbed capital allowances	294,000	294,000
Unutilised tax losses	4,151,000	12,658,000
	<u>4,456,000</u>	<u>13,432,000</u>
	=====	=====

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. Other operating expenses/(income)**

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>6.2.2004 to</b>	<b>2005</b>	<b>6.2.2004 to</b>
	<b>RM</b>	<b>31.12.2004</b>	<b>RM</b>	<b>31.12.2004</b>
		<b>RM</b>		<b>RM</b>
Other operating expenses/(income) is arrived at after charging:				
Audit fees	141,000	116,000	30,000	25,000
Bad debts written off	86,516	162,218	-	-
Directors' remuneration				
- fees	20,000	5,000	20,000	5,000
- other emoluments	597,624	549,146	-	-
Impairment loss on investment	113,440	-	-	-
Property and equipment written off	136,239	429	-	-
Realised foreign exchange loss	143,102	-	-	-
Unrealised foreign exchange loss	72,924	59,989	-	-
	=====	=====	=====	=====
and crediting:				
Gain on disposal of equipment	-	137	-	-
Grant income	414,124	671,631	-	-
Realised foreign exchange gain	18,758	1,847	-	-
Unrealised foreign exchange gain	32,081	-	1,099	-
	=====	=====	=====	=====

**12. Staff costs**

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	<b>6.2.2004 to</b>	<b>2005</b>	<b>6.2.2004 to</b>
	<b>RM</b>	<b>31.12.2004</b>	<b>RM</b>	<b>31.12.2004</b>
		<b>RM</b>		<b>RM</b>
Salaries and other employee benefits	12,803,015	9,665,393	312,946	86,265
EPF contributions	1,462,647	900,151	31,573	8,167
	=====	=====	=====	=====
	14,265,662	10,565,544	344,519	94,432
	=====	=====	=====	=====

The number of employees of the Group and of the Company at the end of the year was 283 (2004 – 217) and Nil (2004 – Nil) respectively. The Company's staff requirement is supported by a subsidiary.

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company is RM1,200 (2004 – RM1,200) and RM600 (2004 – RM600) respectively.



### 13. Tax expense

		Group		Company	
		2005	6.2.2004 to	2005	6.2.2004 to
		RM	31.12.2004	RM	31.12.2004
			RM		RM
<b>Current tax</b>					
Malaysia	- current	120,959	29,300	60,959	-
	- prior year	17,944	2,947	13,693	-
Foreign	- current	703,981	461,568	-	-
	- prior year	-	(52,500)	-	-
		842,884	441,315	74,652	-
<b>Deferred tax</b>					
	Origination and reversal of temporary differences	(1,220,147)	(39,265)	-	-
		(377,263)	402,050	74,652	-
		=====	=====	=====	=====
		RM'000	RM'000	RM'000	RM'000
<b>Reconciliation of tax expense</b>					
	Profit before taxation	16,594	10,092	8,649	38
		=====	=====	=====	=====
	Income tax using Malaysian tax rates	4,646	2,826	2,422	11
	Effect of different tax rates in other countries	(72)	36	-	-
	Tax rebate	(25)	(13)	-	-
	Income not subject to tax	(57)	(42)	(2,380)	-
	Tax incentives	(3,355)	(2,676)	(10)	(11)
	Non-deductible expenses	175	367	29	-
	Utilisation of tax losses previously unrecognised	(573)	(47)	-	-
	Recognition of tax losses not recognised previously	(1,134)	-	-	-
		(395)	451	61	-
	Under/(Over) provision in prior year	18	(49)	14	-
		(377)	402	75	-
		=====	=====	=====	=====

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.

The current Malaysian taxation is in respect of interest income.

## 14. Lease commitments

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

	<b>Group</b>	
	<b>2005 RM</b>	<b>2004 RM</b>
Less than one year	468,978	647,236
Between one and five years	221,431	174,072
	<hr/>	<hr/>
	690,409	821,308
	=====	=====

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.

## 15. 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 RM16,371,193 (2004 – RM2,413,154) and the weighted average number of ordinary shares outstanding during the year of 201,000,000 (2004 – 52,763,651).

### *Weighted average number of ordinary shares*

	<b>2005</b>	<b>2004</b>
Issued ordinary shares at beginning of the year	201,000,000	20
Effect of shares issued during the year	-	52,763,631
	<hr/>	<hr/>
Weighted average number of ordinary shares	201,000,000	52,763,651
	=====	=====

### *Diluted earnings per share*

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM16,371,193 (2004 – RM2,413,154) and the weighted average number of ordinary shares outstanding during the year of 209,010,000 (2004 – 53,573,632) calculated as follows:

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

	<b>2005</b>	<b>2004</b>
Weighted average number of ordinary shares as above	201,000,000	52,763,651
Effect of share options	8,010,000	809,981
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted)	209,010,000	53,573,632
	=====	=====

## 16. Dividends

	<b>Group and Company</b>	
	<b>2005</b>	<b>2004</b>
	<b>RM</b>	<b>RM</b>
Ordinary		
Interim paid:		
1.5 sen per share tax exempt (2004 – Nil)	3,015,000	-
	=====	=====

The proposed final dividend of 1.25 sen per share tax exempt totaling RM2,512,500 has not been accounted for in the financial statements.

The dividends per ordinary share as disclosed in the income statements takes into account the total interim and final proposed dividends for the financial year.

## 17. 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 are 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 year to acquire segment assets that are expected to be used for more than one year.

### *Geographical segments*

The Group comprises the following main geographical segments:

Malaysia  
Singapore  
Philippines, India and Indonesia ("others")

**17. Segmental information (continued)**

<b>2005</b>	<b>Malaysia RM</b>	<b>Singapore RM</b>	<b>Others RM</b>	<b>Elimination RM</b>	<b>Consolidated RM</b>
<i>Geographical segments</i>					
Revenue from external customers	38,671,395	8,692,834	7,631,508	-	54,995,737
Inter-segment revenue	702,485	-	-	(702,485)	-
<b>Total revenue</b>	<b>39,373,880</b>	<b>8,692,834</b>	<b>7,631,508</b>	<b>(702,485)</b>	<b>54,995,737</b>
<b>Segment result</b>					
Operating profit	11,750,138	2,161,249	1,970,246	(25,910)	15,855,723
Interest income	517,093	27,429	193,532	-	738,054
Dividend income	8,500,000	3,565,186	-	(12,065,186)	-
Profit before taxation	20,767,231	5,753,864	2,163,778	(12,091,096)	16,593,777
Tax expense	(138,882)	1,134,404	(618,259)	-	377,263
Minority interests	-	-	(599,847)	-	(599,847)
<b>Net profit for the year</b>	<b>20,628,349</b>	<b>6,888,268</b>	<b>945,672</b>	<b>(12,091,096)</b>	<b>16,371,193</b>

**17. Segmental information (continued)**

<b>2005</b>	<b>Malaysia RM</b>	<b>Singapore RM</b>	<b>Others RM</b>	<b>Elimination RM</b>	<b>Consolidated RM</b>
<b>Segment assets</b>	35,801,917	6,242,813	7,157,103	-	49,201,833
Unallocated assets					4,802,951
					<hr/>
Total assets					54,004,784
					<hr/>
<b>Segment liabilities</b>	5,263,347	2,328,957	3,655,280	-	11,247,584
Unallocated liabilities					315,973
					<hr/>
Total liabilities					11,563,557
					<hr/>
Capital expenditure	11,336,918	125,284	207,045	-	11,669,247
Depreciation	491,684	73,105	111,703	-	676,492
Non-cash expenses other than depreciation	-	-	-	-	-

**17. Segmental information (continued)**

<b>2004</b>	<b>Malaysia RM</b>	<b>Singapore RM</b>	<b>Others RM</b>	<b>Elimination RM</b>	<b>Consolidated 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 year	1,896,170	408,160	140,639	(31,815)	2,413,154

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## 17. Segmental information (continued)

2004	Malaysia RM	Singapore RM	Others RM	Elimination RM	Consolidated RM
<b>Segment assets</b>	26,404,160	3,391,566	3,833,067	-	33,628,793
Unallocated assets					3,582,804
					<hr/>
Total assets					37,211,597
					<hr/>
<b>Segment liabilities</b>	4,280,038	1,603,739	2,036,565	-	7,920,342
Unallocated liabilities					259,633
					<hr/>
Total liabilities					8,179,975
					<hr/>
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	-	-	-	-	-

## **18. 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 and Company'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. 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, Indian Rupee and Indonesia Rupiah. 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.



## 18. 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 years in which they reprice or mature, whichever is earlier.

Group	Effective interest rate per annum %	2005		Effective interest rate per annum %	2004	
		Total RM	Within 1 year RM		Total RM	Within 1 year RM
Financial assets						
Fixed deposits with licensed banks	3.39	21,478,320	21,478,320	3.32	19,096,551	19,096,551
Company						
Financial assets						
Fixed deposits with licensed banks	2.64	8,677,769	8,677,769	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.

## 19. Acquisition of subsidiaries

On 29 August 2005, the Company acquired 60% of the equity interest of PT JobStreet Indonesia for a consideration of RM227,620 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

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.

## 19. Acquisition of subsidiaries (continued)

The fair values of assets and liabilities assumed in the acquisition of subsidiaries and their cash flow effects are as follows:

	<b>Acquisition</b>	
	<b>2005</b>	<b>2004</b>
	<b>RM</b>	<b>RM</b>
Non current assets		
Equipment	-	1,268,528
Deferred tax asset	-	66,441
	<hr/>	<hr/>
	-	1,334,969
Current assets	379,367	21,503,898
Current liabilities	-	(7,078,178)
Minority interest	(151,747)	(757,508)
	<hr/>	<hr/>
Net assets	227,620	15,003,181
Goodwill on acquisition	-	3,524,072
	<hr/>	<hr/>
Purchase consideration	227,620	18,527,253
Purchase consideration satisfied by share issue	-	(18,527,253)
	<hr/>	<hr/>
Purchase consideration satisfied by cash	227,620	-
Cash acquired	(379,367)	(13,069,473)
	<hr/>	<hr/>
Net cash inflow	(151,747)	(13,069,473)
	<hr/>	<hr/>

## 19. Acquisition of subsidiaries (continued)

### *Effect of acquisition*

The acquisition of the subsidiaries had the following effect on the Group's operating results, assets and liabilities as at 31 December 2004 and 2005:

	<b>4 months ended 31.12.2005 RM</b>	<b>3 months ended 31.12.2004 RM</b>
Income statement:		
Revenue	-	9,383,666
Operating costs	(11,378)	(7,131,839)
	<hr/>	<hr/>
Operating (loss)/profit	(11,378)	2,251,827
Other (expenses)/income	(200)	104,374
Interest income	1,788	130,101
	<hr/>	<hr/>
Profit before taxation	(9,790)	2,486,302
Tax expense	-	(26,126)
	<hr/>	<hr/>
Profit after taxation	(9,790)	2,460,176
Minority interests	3,916	(85,427)
	<hr/>	<hr/>
(Decrease)/Increase in the Group's net profit at the end of financial year/period	(5,874)	2,374,749
	<hr/>	<hr/>
	<b>31.12.2005 RM</b>	<b>31.12.2004 RM</b>
Balance sheet:		
Equipment	-	1,345,555
Investment	-	116,279
Deferred tax assets	-	58,732
Current assets	367,827	24,111,456
Current liabilities	-	(7,303,061)
Deferred tax liabilities	-	(8,925)
	<hr/>	<hr/>
Minority shareholder's interest	367,827 (147,131)	18,320,036 (843,260)
	<hr/>	<hr/>
Net assets acquired/Group's share of net assets	220,696	17,476,776
Goodwill on acquisition	-	3,524,072
	<hr/>	<hr/>
Increase in Group's net assets	220,696	21,000,848
	<hr/>	<hr/>

## 20. Significant events

- (a) On 9 August 2005, a wholly-owned subsidiary company, JobStreet.com Sdn Bhd, entered into a conditional Sale and Purchase Agreement with Mayban General Assurance Berhad to purchase a 8 storey office building known as No. 27, Lorong Medan Tuanku 1, Off Jalan Tuanku Abdul Rahman, 50350 Kuala Lumpur for a cash consideration of RM10,000,000 subject to the terms of the said Agreement.
- (b) On 29 August 2005, the Company entered into a Shareholders' Agreement with PT Sinarmas Multiartha Tbk. to formally establish PT JobStreet Indonesia ("PTJI") and to subscribe for 60 new shares with a nominal value of USD1,000 each in PTJI representing 60% of the issued and paid-up share capital of PTJI, paid by way of cash consideration of USD60,000.

## 21. Subsequent events

On 4 April 2006, two wholly-owned subsidiary companies namely JobStreet.com Pte Ltd and JobStreet.com India Private Ltd ("JobStreet India"), entered into a Memorandum of Understanding ("MOU") with Television Eighteen India Limited ("TV18") in relation to the proposed subscription by TV18 of new ordinary shares of JobStreet India corresponding to 50% of the fully diluted equity capital of the company, on infusion of the rupee equivalent of USD2 million into JobStreet India subject to the terms and conditions as stipulated in the MOU.