

**JobStreet Corporation Berhad (“JCB” or “the Company”)**  
**- Acquisitions of Quoted Securities – 104 Corporation (Taiwan) (“104 Corporation”)**

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**1. INTRODUCTION**

Pursuant to Paragraph 10.06 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors of JCB is pleased to announce that JCB had from 25 September 2009 to 9 December 2009 acquired 655,000 Ordinary Shares of TWD10 each (the “Shares”) in 104 Corporation from the open market in Taiwan Stock Exchange, representing 1.94% of the issued and paid-up share capital of 104 Corporation (“Acquisitions”), thereby increasing the shareholdings of the Company in 104 Corporation from 4,922,000 Shares, (as announced on 24 September 2009[Reference No CC-090924-62805]) to 5,577,000 Shares, representing 16.52% of the issued and paid-up share capital of 104 Corporation of 33,750,000 Shares.

The Acquisitions had resulted in the percentage ratios calculated under Paragraph 10.02 of the Main Market Listing Requirements of Bursa Securities exceeding 5% of JCB’s audited consolidated net assets of the Company for the financial year ended 31 December 2008.

As at 9 December 2009, the Company's total investment in 104 Corporation are set out below:

- i) Total cost : RM50,083,199
- ii) Carrying/Book Value : RM50,049,640
- iii) Market Value : RM53,706,478

**2. INFORMATION ON 104 CORPORATION**

104 Corporation was incorporated in Taiwan in October 1993 as Fu Hua Co., Ltd and changed its name to 104 Corporation in August 2000. The principal activities of 104 Corporation are online recruitment services, contract employment, human resources consultancy services and online advertisement services. The current authorised share capital of 104 Corporation is TWD 400,000,000 comprising 40,000,000 Shares. The issued and paid-up share capital of 104 Corporation is TWD 337,500,000 comprising 33,750,000 Shares. 104 Corporation is listed on the Taiwan Stock Exchange, Taiwan.

Based on its latest audited accounts, the financial information on 104 Corporation is as follows:-

	Year Ended 31.12.2008 TWD'000
Turnover	1,857,036
Profit before tax	293,338
Profit after tax and minority interests	238,328

Net assets	1,054,086
Net assets per share (TWD)	31.23
Weighted average number of ordinary shares ('000)	33,750
Net earnings per share (TWD)	7.06

### **3. BASIS OF DETERMINING THE PURCHASE CONSIDERATION**

The purchase consideration for the Acquisitions were based on open market price at the open market in Taiwan Stock Exchange on a “willing buyer-willing seller” basis.

The total cost of RM50.08 million is based on the market prices of 104 Corporation on the respective dates of purchase ranging from TWD58.59 to TWD134.17 per share (equivalent to RM6.38 to RM14.13, translated based on the prevailing exchange rates at the time of purchase) and includes transaction costs such as brokerage, stamp duty and foreign charges.

### **4. ASSUMPTION OF LIABILITIES**

JCB will not be assuming any liabilities, including contingent liabilities and guarantees arising from the Acquisitions.

### **5. SOURCE OF FUNDING**

The Acquisitions were funded by internally generated funds of the Company.

### **6. RATIONALE AND BENEFITS OF THE ACQUISITIONS**

The Acquisitions in 104 Corporation enables JCB to participate in the growth of the online recruitment market in Taiwan and China. The Acquisitions were carried out with the intention of deriving dividend income and for potential capital gains.

### **7. EFFECTS OF THE ACQUISITIONS**

#### **7.1 Share Capital**

The Acquisitions do not have any effect on the issued and paid-up share capital of the Company since the purchases consideration for the Acquisitions were fully satisfied in cash.

## **7.2 Substantial Shareholders' Shareholdings**

The Acquisitions do not have any effect on the substantial shareholders' shareholdings in the Company.

## **7.3 Net Assets Per Share and Gearing**

The Acquisitions do not have any material effect on the Net Assets Per Share and Gearing in the Company.

## **7.4 Earnings per share**

As the Company would only receive dividend declared from 104 Corporation, if any, the Acquisitions are not expected to have any material impact on the earnings per share of JCB Group for the financial year ending 31 December 2009.

## **8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Acquisitions.

## **9. STATEMENT BY BOARD OF DIRECTORS**

The Board of Directors of JCB, having taken into consideration all aspects of the Acquisitions, is of the opinion that the Acquisitions are in the best interest of JCB and its subsidiaries.

## **10. PROSPECTS**

104 Corporation is the pioneer and dominant Internet job search and recruitment website in Taiwan. 104 Corporation was established since 1993 and has developed strong brand recognition among corporations, recruiters and jobseekers alike. The growth of online recruitment services in Taiwan has been attributed to the benefits of online recruitment advertising, increasing broadband penetration as well as the popularity of the Internet. 104 Corporation is also one of a few companies in Taiwan that has a large and valuable database of jobseekers in the country. Together with its vast experience in research and development, these factors have given the company a significant competitive advantage over its competitors.

Although the Internet recruitment advertising business is generally sensitive to the overall economy, the risk of a significant reduction in revenue during an economic downturn is mitigated by 104 Corporation's revenue model which is based on a flat-fee basis regardless of the number of jobs posted.

In March 2008, 104 Corporation has also introduced *Mini Job Service* and *IT Vertical Job Bank*. *Mini Job Service*, which operates on the [www.minijob.com.tw](http://www.minijob.com.tw) website, services the hiring needs of smaller corporations with a simpler process for information or resume uploads and more flexible durations for ad posting. It is a specialised job website solely targeting basic level jobs like waiters, field workers, or part-time workers. On the other hand, *IT Vertical Job Bank* allows recruiters to browse through profiles of all candidates with IT backgrounds and screen out suitable ones.

104 Corporation's prospects also include the potential growth in China's online recruitment market which it has entered in early 2007. With only 338 million Internet users as of June 2009 compared to a total population size of 1.3 billion\*, there is still room for growth in China's Internet recruitment market. Despite the presence of other well established players in China, 104 Corporation is leveraging on its strong brand name in Taiwan by focusing on serving Taiwanese businesses based in China.

**Note:**

\* As extracted from [www.internetworldstats.com](http://www.internetworldstats.com)

## **11. RISK FACTORS**

### **Business risk**

The accumulation of a substantial stake in 104 Corporation will subject JCB Group to risks inherent in carrying on an online recruitment advertising business in Taiwan and China, such as the general economic conditions, foreign currency risks, protection and enforcement of intellectual property rights, and changes in political, regulatory and social conditions in Taiwan and China. Any adverse change in one or more of these factors could materially affect the financial and business prospects of 104 Corporation, and may consequently affect the earnings of JCB Group via equity accounting of 104 Corporation's earnings. However, JCB Group will seek to limit these risks through inter-alia, close monitoring of its investment in 104 Corporation.

### **Political, Economic and Regulatory Risks**

Like all business entities, changes in political, economic and regulatory conditions in Taiwan and China could materially and adversely affect the financial and business prospects of 104 Corporation. Amongst the political, economic and regulatory uncertainties are the changes in political leadership, expropriation, nationalisation, re-negotiation or nullification of existing contracts, interest rates, method of taxation and currency exchange rates.

Whilst JCB Group and 104 Corporation strive to implement effective measures such as prudent financial management and efficient operating procedures, there is no assurance that any change in the above factors will not have a material adverse effect on the business and operations of 104 Corporation.

## **Competition**

104 Corporation operates in a relatively competitive online recruitment advertising business in Taiwan and China. The ability to compete depends on various factors such as the efficiency of the web-based platform, size of database, product range, pricing, customer service and support and adaptability to rapidly changing technologies.

104 Corporation is a market leader in Taiwan due to its large resume database, comprehensive range of value added services and efficient web-based platform. However, there can be no assurance that any changes in the competitive environment, such as the launching of similar online recruitment services by other local or foreign major web portals, will not have a material effect on 104 Corporation's market share.

## **Dependence on Key Personnel**

The success of 104 Corporation will depend to a significant extent upon the abilities and continued efforts of its current management team. The loss of any member of its management team may have an impact on the operations. The future success of 104 Corporation will also depend upon its ability to attract and retain skilled personnel. As far as JCB is aware, 104 Corporation offers competitive remuneration packages to its employees which includes employee share option schemes to eligible employees. However, there can be no assurance that there will be no loss of key personnel in future and the loss of any key personnel will not have an adverse effect on 104 Corporation.

## **Volatility of 104 Corporation's share price**

The trading price of 104 Corporation Shares is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as actual or anticipated variations in its quarterly operating results, announcements of technological innovations, or new services by 104 Corporation or its competitors, changes in financial estimates by securities analysts, conditions or trends in the Internet and online recruitment service industries, changes in the market valuations of other Internet and online recruitment service industries, announcements by 104 Corporation or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments, additions or departures of key personnel, sales of its shares or other such securities in the public market and other events or factors, many of which are beyond the 104 Corporation's control. Market fluctuations as well as general political and economic conditions such as recession or interest rate or currency rate fluctuations, may also adversely affect the market price of 104 Corporation's shares.

## **Foreign Exchange Risk**

The operating and reporting currency of 104 Corporation is denominated in TWD. Any dividends received by JCB from 104 Corporation will also be affected by the fluctuation of the TWD against the RM.

## **12. APPROVALS REQUIRED**

The Acquisitions are not subject to approval of the shareholders of JCB and any relevant authorities and/or persons.

## **13. HIGHEST PERCENTAGE RATIO**

The highest percentage ratios applicable to the Acquisitions and for the 3,352,000 Shares acquired within the preceding 12 months up to 9 December 2009 pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities are 5.09% and 24.13% respectively based on the latest audited net assets of the Company.

The 3,352,000 Shares acquired do not require the approval of the shareholders of JCB as the 3,352,000 Shares acquired did not exceed the 25% threshold on percentage ratios as set out in Chapter 10 of the Main Market Listing Requirements of Bursa Securities.

This announcement is dated 9 December 2009.