

JOBSTREET CORPORATION BERHAD (“the Company”)
(Company No: 641378-W)
Notes on the quarterly report - 30 September 2007

EXPLANATORY NOTES AND ADDITIONAL INFORMATION

1. Basis of preparation

This interim financial report is unaudited and has been prepared in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market and Financial Reporting Standard (FRS) 134₂₀₀₄, *Interim Financial Reporting*.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2006.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2006.

2. Auditors’ report

There were no audit qualifications on the annual financial statements of the Company and its subsidiaries for the financial year ended 31 December 2006.

3. Seasonality or cyclical nature of interim operations

In general, recruitment activities tend to slow down towards year-end and during major holidays. Typically, this results in sequentially lower results in the last quarter of the year.

4. Unusual items

There were no items or events that arose during the quarter under review, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

5. Changes in estimates

There were no changes in the nature and amount of estimates reported that have a material effect in the quarter under review.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

On 29 November 2004, the Company offered 14,890,000 ESOS options at an exercise price of RM0.54 per share to the directors and eligible employees of the Group, of which all the directors and eligible employees accepted the offer.

On 23 February 2006, the Company offered 2,525,000 ESOS options at an exercise price of RM1.35 (being the weighted average market price of the shares for the five (5) market days immediately preceding the date of offer with a discount of approximately 9%) to eligible employees of the Group. All the eligible employees accepted the offer.

On 28 March 2007, the Company offered 1,475,000 ESOS options at an exercise price of RM1.61 (being the weighted average market price of the shares for the five (5) market days immediately preceding the date of offer with a discount of approximately 10%) to eligible employees of the Group. All the eligible employees accepted the offer.

As at 30 September 2007, 3,882,550 options had lapsed, 45,000 options were forfeited, 3,431,000 options were exercised and 11,531,450 options remained unexercised.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company during the quarter under review.

7. Dividends paid

No dividend was paid during the quarter.

8. Segmental reporting

Segment information is presented in respect of the Group's geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure. A secondary format is not presented as the Group's activities in each geographical location is similar.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise investments and related revenue, corporate assets and head office expenses, tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

Geographical segments

The Group comprises the following main geographical segments:

Malaysia
Singapore
Philippines
Bangladesh and Indonesia ("Others")

Cumulative Quarter Ended 30/9/2007
(The figures have not been audited)

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	40,248	10,234	8,677	736	-	59,895
Inter-segment revenue	2,057	-	-	-	(2,057)	-
Total revenue	42,305	10,234	8,677	736	(2,057)	59,895
Segment result						
Results from operating activities	15,696	3,954	5,342	(688)	-	24,304
Finance income	501	100	209	2	-	812
Dividend income	8,018	7,316	-	-	(15,334)	-
Share of profit after tax and minority interest of associates and a jointly-controlled entity	1,251	(311)	-	-	-	940
Profit before taxation	25,466	11,059	5,551	(686)	(15,334)	26,056
Tax expense	(106)	(769)	(1,889)	-	-	(2,764)
Profit for the period	25,360	10,290	3,662	(686)	(15,334)	23,292
Segment assets	72,209	18,060	9,070	1,028	-	100,367
Unallocated assets						2,996
Total assets						103,363
Segment liabilities	8,348	4,681	3,206	410	-	16,645
Unallocated liabilities						1,347
Total liabilities						17,992
Capital expenditure	807	19	77	183	-	1,086
Depreciation	891	60	51	64	-	1,066

Cumulative Quarter Ended 30/9/2006
(The figures have not been audited)

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	33,883	7,473	6,532	1,987	-	49,875
Inter-segment revenue	1,636	-	-	-	(1,636)	-
Total revenue	35,519	7,473	6,532	1,987	(1,636)	49,875
Segment result						
Results from operating activities	11,433	1,982	3,824	(855)	(1)	16,383
Finance income	261	62	191	4	-	518
Dividend income	-	965	-	-	(965)	-
Share of profit after tax and minority interest of an associate	-	28	-	-	-	28
Profit before taxation	11,694	3,037	4,015	(851)	(966)	16,929
Tax expense	(89)	(440)	(1,389)	-	-	(1,918)
Profit for the period	11,605	2,597	2,626	(851)	(966)	15,011
Segment assets	45,665	10,705	8,253	2,301	-	66,924
Unallocated assets						4,438
Total assets						71,362
Segment liabilities	6,369	2,891	2,090	1,000	-	12,350
Unallocated liabilities						1,003
Total liabilities						13,353
Capital expenditure	2,260	36	80	280	-	2,656
Depreciation	612	70	50	36	-	768

9. Valuation of Property and Equipment

The Group did not revalue any of its property and equipment.

10. Subsequent events

Other than as disclosed in Notes 11 and 21, there were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements for the current quarter.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review. Subsequent to the end of the quarter under review, the composition of the Group included the following:-

(a) Subscription of new shares in JobStreet Kabushiki Kaisha (“JKK”)

On 18 July 2007, the Company announced that it had on the same date entered into a Subscription of Shares and Shareholders’ Agreement with Asian Commission Corporation (“ACC”), a company incorporated in Japan, to cooperate and implement a joint venture in Japan via JKK to carry out search and selection, staffing, career consultancy and related activities solely for the Japanese market.

The completion of the subscription of shares shall be conditional upon the following:

- (i) JKK having a book value of not less than JPY9,900,000 including a minimum cash balance of JPY9,900,000.
- (ii) All licenses and approvals for staffing and placement services shall be in place to enable JKK to carry out its business and operations.

Upon satisfaction of the above, the Company will subscribe for 360 new shares resulting in the Company holding 60% of the enlarged issued and paid-up share capital of JKK, for a subscription price of JPY18,000,000 to be paid in cash. ACC will further subscribe for 42 new shares resulting in ACC holding 40% of the enlarged issued and paid-up share capital of JKK, for a subscription price of JPY2,100,000 to be paid in cash.

The subscription of shares in JKK by the Company was completed on 1 November 2007.

(b) Incorporation of JS Overseas Holdings Limited (“JSOH”)

On 1 October 2007, the Company announced that it has, on 25 September 2007, incorporated JSOH, a new wholly-owned subsidiary, in the British Virgin Islands. The proposed principal activities of JSOH is investment holding and it was set up to facilitate further expansion of the Group’s business overseas by holding shares in subsidiaries and/or investments to be identified. The issued and paid-up share capital of JSOH is USD10,000 divided into 10,000 ordinary shares of USD1.00 each. The allotment of new shares in JSOH to JCB was completed on 1 October 2007.

12. Changes in contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities as at 16 November 2007 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

13. Capital Commitments

	As at 30.9.2007 RM'000
Property and equipment	
Authorised and contracted for	252
	=====

14. Review of performance for the quarter

For the quarter ended 30 September 2007, consolidated revenue amounted to RM21.8 million, approximately RM4.9 million or 29.3% higher than the RM16.8 million revenue for the corresponding quarter in the preceding financial year. This increase was mainly attributed to 42.8% quarter on quarter growth in the demand for the Group's core product of JobStreet ESSENTIAL (online job posting service).

In terms of profitability, the Group achieved a profit before taxation ("PBT") of RM10.6 million, an increase of RM4.8 million or 83.8% compared with RM5.7 million reported in the corresponding quarter in the preceding financial year. This is due to higher sales during the quarter compared to Quarter 3, 2006 and higher gross profit margin arising from higher revenue contribution from JobStreet ESSENTIAL. In addition, proportionately lower staff costs and professional fees coupled with share of profit from equity accounted associates, namely Recruit Group Limited and Enerpro Pte Ltd, resulted in a higher pre-tax profit margin for the current quarter of 48.5% compared to the pre-tax profit margin of 34.1% in Quarter 3, 2006.

On an after-tax basis, the Group achieved a profit after taxation ("PAT") of RM9.4 million, an increase of RM4.5 million or 90.5% compared with RM5.0 million reported in the corresponding quarter in 2006. The higher growth in PAT compared with PBT was mainly due to a lower tax rate in Singapore of 18% compared to 20% in the previous financial year.

15. Comparison with previous quarter's results

	<u>Q3 2007</u> <u>Current Quarter</u> RM'000	<u>Q2 2007</u> <u>Preceding Quarter</u> RM'000
Revenue	21,753	20,235
Profit before taxation	10,555	8,358

For the current quarter under review, the Group recorded revenue of RM21.8 million representing a 7.5% increase compared with RM20.2 million recorded in the preceding quarter. This increase was mainly due to higher sales during the current quarter from JobStreet ESSENTIAL.

In terms of profitability, higher gross profit margin due to higher revenue contribution from JobStreet ESSENTIAL coupled with proportionately lower staff cost and bad debts written off during the quarter resulted in an increase in profit before taxation by 26.3% to RM10.6 million compared with RM8.4 million in the previous quarter.

16. Prospects for the Year 2007

The Group's profitability in 2007 should continue to be driven by growth in the Group's existing regional operations in Malaysia, Singapore and Philippines. In all its markets, the Group will continue to pursue its strategy of building the customer base through a range of advertising, branding and marketing activities. Efforts will also be directed towards increasing average revenue per customer and improving productivity levels.

The Group will also continue to allocate resources to establish its presence in new markets such as Indonesia and Bangladesh while evaluating opportunities to further diversify into new geographical markets. During the current quarter, the Company subscribed for shares representing 60% equity interest in JobStreet Kabushiki Kaisha which will be involved in the niche area of training and cross border placement of jobseekers from South East Asia into Japan. The Company's investment in early 2007 of 20% equity interest in Recruit Group Limited which is involved in the print recruitment advertising business in Hong Kong, is expected to contribute positively to the consolidated earnings of the Group in 2007.

The performance of the Group is anticipated to be satisfactory for the financial year ending 31 December 2007.

17. Profit Forecast

No profit forecast was announced hence there is no comparison between actual results and forecast.

18. Taxation

The taxation charge for the current quarter includes the following:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	1,044	649	2,266	1,525
Deferred taxation	75	140	498	393
	<u>1,119</u>	<u>789</u>	<u>2,764</u>	<u>1,918</u>

The effective tax rate is lower than statutory tax rate of 27% mainly due to the following:-

- (i) Tax exempt income of a subsidiary company which has been granted the Multimedia Super Corridor ("MSC") status and pioneer status for a period of 5 years commencing from 28 May 1999. The MSC status along with the pioneer status have been renewed for another five years up to 27 May 2009;
- (ii) Utilisation of previously unrecognized tax losses; and
- (iii) The effects of different tax rates in certain countries.

19. Sale of Unquoted Investments and/or Properties

There was no disposal of investment or properties during the financial period under review.

20. Purchase and Disposal of Quoted Securities

The Group's dealings in quoted unit trusts during the current quarter and financial year-to-date are as follows:-

	Individual Quarter Ended 30.9.2007 RM'000	Cumulative Quarter Ended 30.9.2007 RM'000
Purchases	2,985	13,013
Sales	2,000	2,000

The Group's investments in quoted securities as at 30 September 2007 are summarized below:

	RM'000
At cost	21,036
At carrying value/book value	21,020
At market value	<u>21,785</u>

Other than the above, there was no purchase or disposal of quoted securities during the financial period under review.

21. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 16 November 2007 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report), except for the following:-

- (a) The Company had on 20 June 2007 announced the following:
- (i) Proposed increase in authorised share capital of the Company from RM50 million to RM100 million by the creation of an additional 500 million ordinary shares of RM0.10 each in the Company ("JCB Shares") ("Proposed IASC");
 - (ii) Proposed bonus issue of up to 432,944,000 JCB Shares ("Bonus Shares") on the basis of 2 Bonus Shares for every JCB Share held on an entitlement date to be determined ("Proposed Bonus Issue");
 - (iii) Proposed consolidation of 2 JCB Shares after the Proposed Bonus Issue into 1 new ordinary share of RM0.20 each in JCB ("Proposed Consolidation"); and
 - (iv) Proposed transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of up to RM64,941,600 comprising up to 324,708,000 ordinary shares of RM0.20 each in JCB from the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") to the Main Board of Bursa Securities ("Proposed Transfer")

On 20 July and 12 November 2007, the Company announced its proposal to amend its Articles of Association in conjunction with the Proposed Transfer, to be in line with the recent amendments to the Listing Requirements of Bursa Securities and the Companies Act, 1965, and in view of the Capital Markets and Services Act, 2007 which came into operation on 28 September 2007, as well as to enhance its administrative efficiency ("Proposed Amendments").

(the Proposed IASC, Proposed Bonus Issue, Proposed Consolidation, Proposed Transfer and Proposed Amendments to be collectively referred to as “Proposals”)

On 10 October 2007, the Company announced that the Securities Commission has, on 9 October 2007, approved the Proposed Transfer.

On 15 November 2007, the Company despatched a Circular to shareholders in relation to the Proposed IASC, Proposed Bonus Issue, Proposed Consolidation and Proposed Amendments together with a Notice of Extraordinary General Meeting (“EGM”). The EGM has been fixed on 6 December 2007. The Proposals are expected to complete by the end of the year.

22. Group Borrowings and Debt Securities

There are no borrowings or debts securities in the Group.

23. Off Balance Sheet Financial Instruments

(a) Forward contracts

The Group has entered into short-term foreign exchange forward contracts to manage its exposure to currency fluctuations on certain trade receivables denominated in United States Dollar (“USD”).

The outstanding contract amount and maturity profile of the foreign exchange forward contracts as at 16 November 2007 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report) are as follows:-

	Maturity (months)	Contract Amount (USD’000)	Equivalent to (RM’000)
Foreign exchange forward contracts	1-6	170	581

This amount represents future cash flows under the contract to sell USD at various maturity dates.

The Group views the forward contracts as a risk management tool and does not intend to use it for trading or speculative purposes. The transactions under the foreign exchange forward contracts are booked in at their contracted rates. Any exchange gain or loss relating to the foreign exchange forward contracts is recognised in the income statement upon expiry of the contracts.

The Group is of the opinion that the exposures to credit risk and market risk are minimal because these contracts are executed with established and credit worthy financial institutions in Malaysia.

(b) Call option

Pursuant to the Subscription and Shareholders' Agreement dated 10 July 2006, JobStreet.com Pte Ltd ("JobStreet Singapore") has granted an option to E-18 Limited ("E-18") to require JobStreet Singapore (along with its affiliates), to sell to E-18 (or any of its affiliates) such number of ordinary shares of JobStreet.com India Pvt Limited ("JobStreet India") corresponding to 20% of the enlarged equity share capital of JobStreet India ("Option Shares") ("Call Option"). The Call Option is exercisable by E-18 at any time during the Option Period (being 3 years from the date falling 3 months after the completion of the subscription by E-18 of new ordinary shares of JobStreet India corresponding to 50% of the enlarged equity capital of the company ("the Subscription")) and may only be exercised in full.

The price payable for the Option Shares shall be:

- (i) USD3.25 million, subject to applicable taxes and statutory levies (if any), if the Call Option is exercised prior to the lapsing of 2 years from the date falling 3 months after the completion of the Subscription ("First Period"); and
- (ii) USD4 million, subject to applicable taxes and statutory levies (if any), if the Call Option is exercised after the First Period but prior to the last date of the Option Period.

Other than the above, the Group does not have any financial instrument with off balance sheet risk as at the date of this report.

24. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

25. Dividend

No dividend has been proposed or declared during the current quarter.

26. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company by the weighted average number of ordinary shares of RM0.10 each in issue during the period.

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
Net profit attributable to shareholders of the Company (RM'000)	8,953	4,805	22,177	14,154
Weighted average number of shares in issue ('000)	204,431	203,065	203,650	202,153
Basic earnings per share (sen)	4.38	2.37	10.89	7.00

(b) Fully diluted earnings per share

The fully diluted earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of shares in issue adjusted for dilutive potential shares issueable in respect of outstanding ESOS options granted by the Company.

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
Net profit attributable to shareholders of the Company (RM'000)	8,953	4,805	22,177	14,154
Weighted average number of shares in issue ('000)	204,431	203,065	203,650	202,153
Adjustments for share options ('000)	7,495	8,217	7,083	7,791
	211,926	211,282	210,733	209,944
Diluted earnings per share (sen)	4.22	2.27	10.52	6.74

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 23 November 2007.