

EXPLANATORY NOTES AND ADDITIONAL INFORMATION

1. Basis of Preparation

This interim financial report is unaudited and has been prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”).

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 2012.

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 2012 except for the mandatory adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and Issues Committee Interpretations (“IC Int.”) effective on 1 January 2013:-

Amendments to MFRS 101, *Presentation on Financial Statements – Presentation of Items of Other Comprehensive Income*

MFRS 10, *Consolidated Financial Statements*

MFRS 11, *Joint Arrangements*

MFRS 12, *Disclosure of Interests in Other Entities*

MFRS 13, *Fair Value Measurement*

MFRS 119, *Employee Benefits (2011)*

MFRS 127, *Separate Financial Statements (2011)*

MFRS 128, *Investments in Associates and Joint Ventures (2011)*

Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements to 2009-2011 Cycle)*

Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements to 2009-2011 Cycle)*

Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*

Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*

Amendments to MFRS 12, *Disclosure of Interest in Other Entities: Transition Guidance*

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

2. Seasonality or Cyclicity 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.

3. 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.

4. 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.

5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

During the current financial year, the Company repurchased its own shares on the Bursa Malaysia Securities Berhad as follows:-

Month	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate cost paid
		RM	RM	RM
February 2013	179,000	2.45	2.40	433,214
April 2013	129,800	3.18	2.99	396,775
May 2013	98,000	3.20	3.20	314,835
Total	<u>406,800¹</u>			<u>1,144,824</u>

¹ Comprising of ordinary shares of RM0.20 each prior to the share split completed on 5 September 2013. After the completion of the share split, the total number of treasury shares as at 30 September 2013 is 813,600 ordinary shares of RM0.10 each.

The shares bought back were initially held as treasury shares. None of the treasury shares held were resold or cancelled during the current financial year.

Employee Share Option Scheme (“ESOS”)

Movements in the number of share options outstanding during the quarter under review are as follows:-

Grant No.	Date of Offer	Option Price Before & After Share Split	Number of options over ordinary shares of RM0.20 each ('000)				Adjustment for the Share Split	No. of options over ordinary shares of RM0.10 each ('000) after Share Split
			Balance at 1.7.2013	Granted	Exercised	Lapsed		Balance at 30.9.2013
I	29.11.2004	RM0.36/RM0.18	-	-	-	-	-	-
II	23.02.2006	RM0.90/RM0.45	224	-	-	-	224	448
III	28.03.2007	RM1.08/RM0.54	195	-	-	-	195	390
IV	20.05.2008	RM1.53/RM0.77	286	-	(8)	-	278	556
V	11.01.2010	RM1.31/RM0.66	8,723	-	(56)	(140)	8,527	17,054
VI	09.01.2013	RM2.10/RM1.05	1,050	-	(225)	(675)	150	300
			10,478	-	(289)	(815)	9,374	18,748

On 5 September 2013, the Board of Directors announced that the Share Split has been completed following the listing of and quotation of 634,386,480 ordinary shares of RM0.10 each in JCB on the Main Market of Bursa Malaysia Securities Berhad.

6. Dividends Paid

The Company had on 21 August 2013 declared a second interim single tier dividend of 3.50 sen per ordinary share of RM0.20 each for the financial year ending 31 December 2013 amounting to RM11.087 million. Consequential to the completion of Share Split, the second interim single tier dividend for the financial year ending 31 December 2013 was adjusted to 1.75 sen per ordinary share of RM0.10 each amounting to RM11.087 million in line with the increase in the number of shares in issue. The dividend was paid on 27 September 2013.

7. Operating Segments

In presenting information on the basis of operating segments, segment revenue is based on geographical location of customers. For each of the geographical segment, the Group’s Chief Executive Officer reviews internal management reports on at least a quarterly basis. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates and a jointly-controlled entity) and deferred tax assets.

The Group comprises the following main geographical segments:

Malaysia
Singapore
Philippines

Other non-reportable segments comprise the location of customers of the following countries: Hong Kong, Indonesia, Japan, British Virgin Islands and India (“Others”)

There have been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements.

Cumulative Quarter Ended 30/9/2013
(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	68,670	26,249	28,843	8,246	-	132,008
Dividends	7,885	-	-	-	(3,821)	4,064
Investment distribution income	125	-	-	-	-	125
Inter-segment revenue	22,497	8,994	-	-	(31,491)	-
Total revenue	99,177	35,243	28,843	8,246	(35,312)	136,197
Segment results						
Results from operating activities	42,608	11,079	12,849	1,720	(3,821)	64,435
Interest income	219	2	526	85	-	832
Finance costs	-	-	-	(2)	-	(2)
Loss on financial assets classified as fair value through profit or loss	(1,216)	(255)	-	-	-	(1,471)
Dividend income	-	2,616	-	-	(2,616)	-
Share of profit of equity accounted associates and a jointly-controlled entity	4,055	-	-	-	-	4,055
Profit before tax	45,666	13,442	13,375	1,803	(6,437)	67,849
Income tax expense	(8,675)	(2,172)	(3,874)	(450)	-	(15,171)
Profit for the period	36,991	11,270	9,501	1,353	(6,437)	52,678
Segment assets	221,051	28,414	48,976	7,952	-	306,393
<i>Included in the measure of segment assets are:</i>						
Investments in associates	88,241	-	-	-	-	88,241
Non-current assets other than financial instruments and deferred tax assets	18,780	241	1,349	443	-	20,813
Additions to non-current assets other than financial instruments and deferred tax assets	2,313	83	169	154	-	2,719
Depreciation of property and equipment	1,439	98	317	223	-	2,077

Cumulative Quarter Ended 30/9/2012

Geographical segments	Malaysia RM'000	Singapore RM'000	Philippines RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue from external customers	67,262	21,824	21,835	8,446	-	119,367
Dividends	14,707	-	-	-	(9,732)	4,975
Investment distribution income	14	-	-	-	-	14
Inter-segment revenue	18,150	-	-	-	(18,150)	-
Total revenue	100,133	21,824	21,835	8,446	(27,882)	124,356

Segment result

Results from operating activities	48,118	5,103	8,903	(705)	(9,732)	51,687
Interest income	441	4	709	59	-	1,213
Finance costs	-	-	-	(6)	-	(6)
Gain on dilution of interest in an associate	969	-	-	-	-	969
Gain on financial assets classified as fair value through profit or loss	439	2,497	-	-	-	2,936
Dividend income	-	3,055	-	-	(3,055)	-
Share of profit of equity accounted associates and a jointly-controlled entity	2,402	-	-	-	-	2,402
Profit before tax	52,369	10,659	9,612	(652)	(12,787)	59,201
Income tax expense	(9,454)	(964)	(2,763)	38	-	(13,143)
Profit for the period	42,915	9,695	6,849	(614)	(12,787)	46,058
Segment assets	209,952	30,434	36,795	6,934	-	284,115

Included in the measure of segment assets are:

Investments in associates	80,378	-	-	-	-	80,378
Investment in a jointly-controlled entity	408	-	-	-	-	408
Non-current assets other than financial instruments and deferred tax assets	17,873	271	1,248	645	-	20,037
Additions to non-current assets other than financial instruments and deferred tax assets	1,275	18	689	141	-	2,123
Depreciation of property and equipment	1,106	93	255	258	-	1,712

8. Subsequent Events

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.

9. Changes in the Composition of the Group

Other than the corporate proposals disclosed in Note 18, there were no changes in the composition of the Group during the quarter under review.

10. Changes in contingent assets and contingent liabilities

In 2008, the Company had provided a corporate guarantee for SGD 5.5 million to a financial institution for a treasury/foreign exchange facility granted to the Company’s wholly-owned subsidiary, JobStreet.com Pte. Ltd.

Other than the above, there were no other material contingent liabilities or contingent assets as at 15 November 2013 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

11. Capital Commitments

	As at 30.9.2013 RM’000
Property and equipment	
Contracted but not provided for:	
Within one year	1,101
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12. Review of Performance for the Quarter

For the quarter ended 30 September 2013, consolidated revenue amounted to RM46.5 million, which is approximately RM5.1 million or 12.3% higher than the RM41.4 million recorded in the corresponding quarter in the preceding financial year. The increase was mainly due to the strong sales of online job posting services which grew 22.1% year-on-year in Q3 especially in the Group’s core markets of Malaysia, Singapore, Indonesia and the Philippines. Revenue from the offline recruitment services contracted 25.4% year-on-year during the quarter. The growth in revenue contributed to an increase in operating profit margins to 48.3% compared with 42.6% in Q3 2012.

Malaysia

Revenue from external customers derived from the Group’s operations in Malaysia increased by 1.4% compared with the corresponding quarter in the preceding financial year driven mainly by revenue from online recruitment advertising services which grew 12.1% year-on-year in Q3. The increase was offset by a contraction in the offline businesses by 21.5%. Overall, results from operating activities in Malaysia (ex-dividend income) decreased by 6.2% year-on-year mainly due to higher accruals of intercompany charges payable to the Group’s subsidiaries and higher staff costs.

Singapore

Revenue from external customers derived from the Group’s operations in Singapore increased by 21.9% compared with the corresponding quarter in the preceding financial year. The increase was mainly attributed to higher revenue from online recruitment advertising services. Results from operating activities from the Singapore market increased by 92.0% compared with Q3 2012 due to the growth in revenue and intercompany charges.

Philippines

With the momentum of the strong Philippine economy continuing into 2013, the Group was able to grow its online recruitment advertising business and record revenue growth of 34.3% year-on-year in Q3. Results from operating activities increased by 74.5% as a result of the growth in revenue.

Others

The Others segment is driven mainly by the Group’s operations in Indonesia and Japan. Leveraging on the strong economic growth, investment in headcount and expansion into key cities in 2012, the Group’s operations in Indonesia recorded strong revenue growth in Q3. The profitability of the Group’s subsidiary in Indonesia continued to grow during the quarter although its contribution to the Group’s overall bottom line remained immaterial. In Japan, the Group continued to maintain a small presence in the market focusing on providing niche staff contracting and consulting services. During the current quarter, the Group’s subsidiary in Japan recorded a decrease in revenue.

On a pre-tax basis, the Group’s profit before tax (“PBT”) increased by 9.7% to RM23.6 million compared with RM21.5 million reported in the corresponding quarter in the preceding financial year. The increase in results from operating activities by 27.5% and share of profit from associates by 60% were partially offset by a reduction in fair value of short term investments. In addition, Q2 2012 was positively impacted by a gain in dilution of interest in an associate. The Group’s profit after tax (“PAT”) increased by 8.1% to RM18.0 million compared with the RM16.7 million reported in the corresponding quarter in 2012.

13. Comparison with previous quarter's results

	Q3 2013 <u>Current Quarter</u> RM’000	Q2 2013 <u>Preceding Quarter</u> RM’000
Revenue	46,484	46,537
Profit before tax	23,588	22,597

For the current quarter under review, the Group’s revenue of RM46.5 million remained flat compared with RM46.5 million recorded in the preceding quarter. Although revenue from the online recruitment advertising services grew 5.5% quarter-on-quarter in Q3, this was offset by the timing of dividends received from the Group’s quoted investments in Hong Kong.

In terms of profitability, PBT in the current quarter increased by 4.4% mainly due to higher share of profits from associates.

14. Prospects for the Year 2013

As the third quarter of 2013 concluded, global economic growth remains slow resulting in subdued recruitment activity in markets such as Malaysia and Singapore. However, overall, the emerging economies in South East Asia are still relatively strong given stable growth in domestic consumption and continuing investment. Growth in Malaysia, Indonesia and Philippines in particular continued to expand.

The performance of the Group for the financial year ending 31 December 2013 is expected to remain satisfactory, with the outcome dependent on sustained economic growth, the competitive environment, the ability of the Group to increase sales and the performance of its investments.

15. Profit Forecast

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

16. Taxation

The taxation charge for the current quarter includes the following:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	5,973	4,821	15,757	13,575
Deferred taxation	(388)	22	(586)	(432)
	<u>5,585</u>	<u>4,843</u>	<u>15,171</u>	<u>13,143</u>

17. Quoted Investments

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

	Individual Quarter Ended 30.9.2013	Cumulative Quarter Ended 30.9.2013
	RM'000	RM'000
Quoted securities of associate companies		
Share of results and changes in equity in associates, dividend received from associates and exchange differences	2,016	2,200
	<u> </u>	<u> </u>
Long term:		
Purchase consideration	-	5,709
Changes in fair value	4,990	6,683
	<u> </u>	<u> </u>
Short term:		
Purchase consideration	257	12,486
Sale proceeds	-	(4,789)
Changes in fair value	137	(234)
	<u> </u>	<u> </u>

The Group’s available-for-sale investments in quoted securities, investments in the quoted securities of associate companies and other short term investments in quoted securities as at 30 September 2013 are summarized below:

	RM'000
At cost	156,625
At carrying value/book value	177,362
At market value	186,037
	<u> </u>

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

18. Status of Corporate Proposals

(a) Proposed disposal of ordinary shares in JS E-Recruitment Ltd

The Company had on 24 June 2009 entered into a Share Sale Agreement (the “SSA”) with Daffodil Computers Limited, a company incorporated in Bangladesh with its registered office at 64/3 Lake Circus, Kelabagan, Dhaka 1205, Bangladesh (“Daffodil”) for the disposal of 60,000 ordinary shares of BDT 10 each in the share capital of JS E-Recruitment Ltd. (“JSE”) to Daffodil, representing 60% equity interest in the issued and paid-up share capital of JSE for a total cash consideration of USD1.00 (equivalent to RM3.549 based on the exchange rate as at 23 June 2009 of USD1:RM3.549) (“Proposed Disposal”).

(b) Shareholders’ Agreement entered into between Nguyen Hoang Bao (“HN”) and JobStreet.com Pte Ltd (“JSPL”)

On 1 October 2012, the Company announced that JSPL, a wholly-owned subsidiary of the Company had entered into a Shareholders’ Agreement (“Agreement”) with HN to incorporate and operate a joint venture company in Singapore in the name of JS Vietnam Holdings Pte Ltd (“JSVNH”) with its primary objects of acquiring and holding 100% of the ordinary shares of JobStreet Company Limited (“JobStreet Vietnam”). JSPL had on 2 October 2012 acquired 2 ordinary shares of USD1.00 each representing 100% of the total issued and paid-up share capital of JSVNH. The acquisition of JobStreet Vietnam by JSVNH is expected to be completed by 31 December 2013.

(c) Re-organisation of group structure

On 18 April 2013, the Company announced that JCB will re-organise its group structure by transferring its shareholdings in PT JobStreet Indonesia (“PTJS”) and Agensi Pekerjaan JS Staffing Services Sdn Bhd (“APJSS”) to JSPL, a wholly-owned subsidiary of the Company at their respective book values (“Re-organisation”). Upon completion of the Re-organisation, PTJS will be a 60% owned subsidiary of JSPL and APJSS will be a wholly-owned subsidiary of JSPL.

On 17 September 2013, the Board of Directors of the Company announced that the transfer of shares in PTJS by JCB to JSPL has been completed on 13 September 2013.

19. Group Borrowings and Debt Securities

The Group’s borrowings are unsecured, denominated in Japanese Yen and classified as follows:-

	As at 30.9.2013 RM’000
Current	81

20. 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.

21. Dividend

The Company had on 22 November 2013 declared the third interim single tier dividend of 1.75 sen per ordinary share of RM0.10 each for the financial year ending 31 December 2013 amounting to RM11.088 million computed based on the issued and paid-up share capital (excluding treasury shares) as at 15 November 2013. The dividend entitlement date and payment dates will be announced at a later date.

During the previous corresponding period, the Company declared a third interim single tier dividend of 1.75 sen per ordinary share of RM0.20 each for the financial year ended 31 December 2012 amounting to RM5.558 million. The interim single tier of 1.75 sen per ordinary share of RM0.10 each for the current quarter is in line with the financial performance of the Group and the revised dividend policy of the Company. Total dividends declared to-date in respect of the financial year ending 31 December 2013 amounted to 69% of net profit after taxation and non-controlling interest.

22. Earnings Per Share

(a) Basic earnings per share

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Net profit attributable to owners of the Company (RM'000)	16,283	15,893	48,269	43,502
Weighted average number of shares in issue ('000)	633,412	642,108*	631,663	641,241*
Basic earnings per share (sen)	2.57	2.48*	7.64	6.78*

(b) Fully diluted earnings per share

The fully diluted earnings per share is calculated by dividing the net profit attributable to owners 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	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Net profit attributable to owners of the Company (RM'000)	16,283	15,893	48,269	43,502
Weighted average number of shares in issue ('000)	633,412	642,108	631,663	641,242
Adjustments for share options ('000)	11,577	10,333	10,896	10,333
	644,989	652,441*	642,559	651,575*
Diluted earnings per share (sen)	2.52	2.44*	7.51	6.68*

* Pursuant to MFRS 133, Earnings Per Share, the comparative earnings per share for the individual and cumulative quarter ended 30 September 2012 have been adjusted for the share split involving the subdivision of every one existing ordinary share of RM0.20 each in the Company into two ordinary shares of RM0.10 each completed on 5 September 2013 as if these events had occurred since 1 January 2012.

23. Realised and Unrealised Profits/losses

	Group As at 30.9.2013	Group As at 31.12.2012
Total retained profits of the Company and its subsidiaries:		
- Realised	124,843,034	113,593,641
- Unrealised	10,106,203	10,876,012
Total share of retained profits from associated companies:		
- Realised	2,055,984	1,880,378
- Unrealised	108,286	(21,429)
Total share of accumulated losses from jointly-controlled entities:		
- Realised	(3,155,674)	(3,085,498)
- Unrealised	-	-
	<hr/>	<hr/>
	133,957,833	123,243,104
Add: Consolidation adjustments	11,184,991	11,716,182
	<hr/>	<hr/>
Total retained profits	145,142,824	134,959,286

24. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
Profit for the period is arrived at after (charging)/ crediting:-				
Depreciation	(725)	(586)	(2,077)	(1,712)
Foreign exchange gain/(loss)	(146)	(140)	194	(438)
Impairment (loss)/ reversal on trade receivables	103	55	(34)	26
Bad debts written off	(15)	(78)	(22)	(213)

Save as disclosed above and in the Condensed Consolidated Income Statement, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements are not applicable.

25. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 22 November 2013.