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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Datuk Ali bin Abdul Kadir**  
*Independent Non-Executive Chairman*

**Tan Sri Dato' Dr Lin See Yan**  
*Independent Non-Executive Director*

**Chang Mun Kee**  
*Executive Director, Founder & CEO*

**Suresh A/L Thirugnanam**  
*Executive Director*

**Ng Kay Yip**  
*Non-Independent Non-Executive Director*

**Lim Chao Li**  
*Non-Independent Non-Executive Director*

## AUDIT COMMITTEE

**Tan Sri Dato' Dr Lin See Yan**  
*Chairman, Independent Non-Executive Director*

**Datuk Ali bin Abdul Kadir**  
*Member, Independent Non-Executive Director*

**Lim Chao Li**  
*Member, Non-Independent Non-Executive Director*

## NOMINATION COMMITTEE

**Datuk Ali bin Abdul Kadir**  
*Chairman, Independent Non-Executive Director*

**Tan Sri Dato' Dr Lin See Yan**  
*Member, Independent Non-Executive Director*

**Ng Kay Yip**  
*Member, Non-Independent Non-Executive Director*

## REMUNERATION COMMITTEE

**Tan Sri Dato' Dr Lin See Yan**  
*Chairman, Independent Non-Executive Director*

**Lim Chao Li**  
*Member, Non-Independent Non-Executive Director*

**Ng Kay Yip**  
*Member, Non-Independent Non-Executive Director*

## ESOS COMMITTEE

**Datuk Ali bin Abdul Kadir**  
*Chairman, Independent Non-Executive Director*

**Lim Chao Li**  
*Member, Non-Independent Non-Executive Director*

**Ng Kay Yip**  
*Member, Non-Independent Non-Executive Director*

## AUDITORS

**KPMG (AF 0758)**  
Chartered Accountants  
Wisma KPMG, Jalan Dungun  
Damansara Heights  
50490 Kuala Lumpur

## LISTING

MESDAQ Market of Bursa Malaysia Securities Berhad  
Stock Name : JOBS  
Stock Code : 0058

## COMPANY SECRETARIES

**Tai Yit Chan** (MAICSA 7009143)  
**Saw Bee Lean** (MAICSA 0793472)

## SPONSOR

**AmMerchant Bank Berhad** (23742-V)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: 03-20782633

## REGISTERED OFFICE

Level 7, Setia 1  
15 Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur  
Tel: 03-20957188  
Fax: 03-20950988

## HEAD OFFICE

Suite C207, 2<sup>nd</sup> Floor  
Block 3440, Enterprise 1  
Jalan Teknokrat 3  
63000 Cyberjaya  
Tel: 03-83180200  
Fax: 03-83181676

## REGISTRAR

**Symphony Share Registrars Sdn Bhd** (378993-D)  
*(formerly known as Malaysian Share Registration Services Sdn Bhd)*  
Level 26, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel: 03-27212222  
Fax: 03-27212531

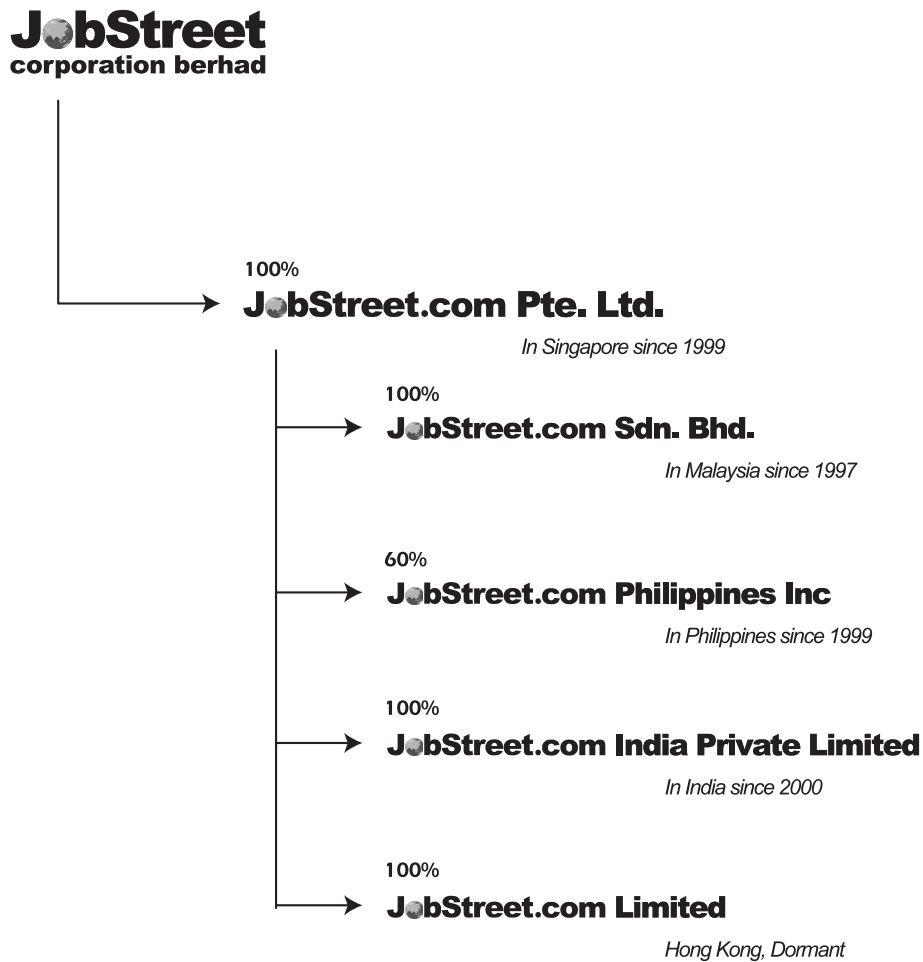
## PRINCIPAL BANKER

**OCBC Bank (Malaysia) Berhad** (295400-W)

## WEBSITE

[www.jobstreet.com](http://www.jobstreet.com)

## CORPORATE STRUCTURE



## OUR PRODUCT FAMILY



# LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

## Dear Shareholders,

It is our pleasure, on behalf of the Board of Directors, to present the inaugural Annual Report and Audited Financial Statements of JobStreet Corporation Berhad ("the Company") for the financial period ended 31 December 2004 to you, our shareholders.

2004 was indeed a good year for us with record profits generated from operations and the successful listing of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 November 2004. The Initial Public Offering (IPO) marks a significant milestone for the Group which actually began operations almost ten years ago when the Internet was just getting started.

We are happy that our shareholders can now include our loyal jobseekers, staff and customers who have done so much to help us achieve a measure of success.

## FINANCIAL RESULTS

For the full financial period ended 31 December 2004, the Group achieved strong pro-forma financial results with revenues of RM34.9 million and net profit from ordinary activities of RM9.3 million including pre-acquisition profits. We saw very good growth in each of our regional markets during the period with Malaysia and Singapore being particularly strong. Our operations in Philippines and India also achieved growth in sales and with each subsidiary in these markets showing profits, we believe we have established a solid regional presence to build on.

Our business is quite sensitive to the general economy as companies are more likely to increase staff and recruit when business is good. Overall, 2004 was a good year for the recruitment business as many companies have started to hire again after being hesitant to do so during the relatively difficult economic period from 2001 through early 2003. Our business has also benefited from the increasing penetration of the Internet throughout society which includes greater use by companies of all sizes to make their operations more efficient.

The number of users registered with JobStreet across the region now exceeds 3 million and continues to grow steadily. This increasing reach to a large number of potential employees is critical to companies in deciding which advertising medium to use for their recruitment activities. The greater the reach, the greater chance they will find the right candidate. This large number of users, combined with the ease, efficiency and speed of recruiting online offer a much greater value proposition to our customers than ever before.

Finally, during the financial period, we have continued to invest heavily in our technology. A total of RM2.2 million was invested in technology during the financial period. We believe this will help us to continue to innovate our services, better meet the needs of jobseekers and employers and allow our operations to scale with greater efficiency.

## USE OF IPO PROCEEDS

The Company raised RM9.72 million from its IPO exercise to fund capital expenditure for computer hardware and software, listing expenses and general working capital purposes. This cash combined with the cash generated from our operations give us a strong balance sheet which positions us well for the future. The IPO also served to enhance the JobStreet brand and open up additional opportunities for growth.

As at 31 December 2004, the IPO proceeds had not been used except for the payment of listing expenses.

## LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONT'D)

### GOING FORWARD

For the financial year ending 31 December 2005, the Group's earnings are expected to continue to be primarily from Malaysia where we have a strong brand and market presence. However, with our operations in Singapore, India and Philippines all showing profits in 2004, we expect these markets to contribute to a greater degree this year.

Generally, we believe the Group's growth this year will be driven by a solid recruitment market as the regional economies continue to experience positive GDP growth rates. Additionally, the trend of increased penetration of Internet usage by companies and jobseekers should continue to benefit our business.

### APPRECIATION

Even as we look forward, we wish to record our sincere appreciation to all our valued jobseekers, customers, and shareholders for your continuing support and confidence during the past year. Our appreciation also goes out to the management and staff for your passion, commitment and hard work.

**DATUK ALI BIN ABDUL KADIR**  
Chairman

**CHANG MUN KEE**  
Chief Executive Officer

## PROFILE OF DIRECTORS

### **DATUK ALI BIN ABDUL KADIR**

*Independent Non-Executive Chairman*

Datuk Ali bin Abdul Kadir, a Malaysian aged 56, is the Chairman of the Company and was appointed to the Board of Directors on 1 October 2004. Datuk Ali is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), and a member of the Malaysian Institute of Certified Public Accountants. He is also the Honorary Advisor to ICAEW Malaysia, Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK) and Honorary member of the Malaysian Institute of Directors. Datuk Ali is currently the Senior Advisor of Ernst & Young Malaysia. Before his secondment to national service, he was the Executive Chairman of the firm.

After 25 years with Ernst & Young, Datuk Ali was appointed by the Minister of Finance as the Chairman of the Malaysian Securities Commission (SC), serving from 1999 to 2004. In this capacity, Datuk Ali had also headed the Capital Market Advisory Council and the International Communication for the Capital Market (ICCM) committee. He was also a member of a number of national committees including the National Economic Consultative Council II (MAPEN II), the Foreign Investment Committee (FIC) and the Oversight Committee of the National Asset Management Company (Danaharta). He sat as a trustee of the Financial Reporting Foundation.

Datuk Ali was also actively involved in international regulatory circles. He sat on the Executive Committee of the International Organisation of Securities Commissions (IOSCO) and was Chairman of IOSCO's Asia-Pacific Regional Committee and of the Islamic Capital Market Task Force. Datuk Ali was also a Trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions from November 2000 to October 2003.

He was the former President of the Malaysian Association (now Institute) of Certified Public Accountants, chairing both its Executive Committee and the Insolvency Practices Committee. He also co-chaired the Company Law Forum.

Datuk Ali presently sits on the board of the Labuan Offshore Financial Services Authority and holds directorships in Airocom Technology Berhad, Microlink Solutions Berhad and T.H. Hin Corporation Berhad.

### **TAN SRI DATO' DR LIN SEE YAN**

*Independent Non-Executive Director*

Tan Sri Dato' Dr Lin See Yan, a Malaysian aged 66, is an Independent Non-Executive Director of the Company and was appointed to the Board of Directors on 1 October 2004. Tan Sri Lin received 3 post-graduate degrees from Harvard University, including a PhD in Economics. He is an Eisenhower Fellow and also Professor of Economics (Adjunct) at Universiti Utara Malaysia.

Prior to 1998, Tan Sri Lin was the Chairman and CEO of the Pacific Bank Group and for 14 years since 1980, he served as the Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. He continues to serve the public interest as Member of the National Economic Action Council (NEAC) Working Group; Pro-Chancellor of Universiti Sains Malaysia; Trustee of the Malaysia University of Science & Technology; Director of Monash University (Sunway Campus) Malaysia; and Governor of the Asian Institute of Management, Manila, as well as Member of the Asian Financial Regulatory Shadow Committee which is based in the US. He is the Chairman of the Graduate School Alumni Council at Harvard University and member of the Visiting Committee on Asian Studies as well as Regional Director for Asia of the Harvard Alumni Association at the University. Tan Sri Lin is also the President of Harvard Club in Malaysia. Tan Sri Lin advises and sits on the Board of a number of publicly listed and private business enterprises in Malaysia, Singapore and Indonesia, including Fraser & Neave Holdings Berhad and Group, Ancom Berhad, Genting Berhad, Resorts World Berhad, Wah Seong Corporation Berhad, Kris Components Berhad and Proton Edar Sdn Bhd.

### **CHANG MUN KEE**

*Executive Director, Founder and CEO*

Chang Mun Kee, a Malaysian aged 39, is an Executive Director of JobStreet and founder of the JobStreet Group. He has also been its Chief Executive Officer since its inception and a Director of the Company since its incorporation. Mr Chang obtained his Bachelor of Science in Mechanical Engineering from the University of Texas, Austin, USA in 1988 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology, USA in 1990. Prior to founding MOL Online Sdn Bhd in 1995 and subsequently JobStreet.com Sdn Bhd in 1997, he was with Kendall International, a US healthcare company, for 5 years, starting as a process engineer in 1990 before being promoted to manufacturing manager in 1992 and regional director of sales and marketing for Malaysia in 1994. He left Kendall International in 1996 to establish JobStreet.com Sdn Bhd which expanded regionally under his direction.

## PROFILE OF DIRECTORS (CONT'D)

### **SURESH A/L THIRUGNAMAM**

*Executive Director*

Suresh A/L Thirugnamam, a Malaysian aged 40, is an Executive Director and the Vice President of Operations of the JobStreet Group, who has overall responsibility for the operations and customer care of the Group. He was appointed to the Board of Directors on 1 October 2004. Suresh obtained his Bachelor of Science in Mechanical Engineering from the Massachusetts Institute of Technology in 1989 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology in 1989. He started his career with Digital Equipment Corp, USA in 1989. In 1992, he worked briefly in Maxoptix Corporation, San Jose, USA before relocating back to Malaysia to join Motorola Malaysia Sdn Bhd ("Motorola") as a manufacturing engineer. He left Motorola in 1994 to join Maxis Communications Sdn Bhd where he held several positions, including Head of Network Services Operations and Head of Fixed Network Product and Planning Group before joining the JobStreet Group in 2000.

### **NG KAY YIP**

*Non-Independent Non-Executive Director*

Ng Kay Yip, a Malaysian aged 39, is a Non-Executive Director and co-founder of the JobStreet Group. He has been a Director of the Company since its incorporation. Mr Ng graduated in 1988 with a Bachelor of Science in Electrical Engineering from the School of Engineering and Applied Science, University of Pennsylvania and a Bachelor of Science in Economics from the Wharton School of Business, University of Pennsylvania. In 1990, he obtained a Master of Science in Electrical Engineering from Massachusetts Institute of Technology. While completing his education in the United States, he worked as a research officer with Bell Communications Research. Since 1990, he has been the executive director of the Maran group of companies, a family business that is involved in timber, property and construction.

### **LIM CHAO LI**

*Non-Independent Non-Executive Director*

Lim Chao Li, a Malaysian aged 39, is a Non-Executive Director and co-founder of the JobStreet Group. He was appointed to the Board of Directors on 1 October 2004. Mr Lim obtained his Bachelor of Science in Economics majoring in Accounting and Finance from the Wharton School of Business, University of Pennsylvania, USA and a Bachelor of Applied Science in Systems Engineering from the School of Engineering and Applied Science, University of Pennsylvania, USA. He commenced his career in 1989 as an Audit Assistant with Deloitte & Touche in Philadelphia, USA. In 1991, he moved back to Malaysia and joined Johnson & Johnson Sdn Bhd as an Accountant. He was promoted as its Finance & Administration Manager in 1993. He joined the Hotel Equatorial Group ("HEG") in 1994 as a Project Manager and became Vice President of Finance in 1997. He currently oversees HEG's hotel finance departments as well as several other private companies in the group. His geographical area of responsibility includes Malaysia, China and Vietnam.

*Except for Datuk Ali bin Abdul Kadir and Tan Sri Dato' Dr Lin See Yan, none of the Directors have any directorships in other public companies.*

*None of the Directors have family relationship with any other Directors or major shareholders of the Company.*

*None of the Directors have any conflict of interest with the Company.*

*None of the Directors have any convictions for offences in the past 10 years, except for traffic offences, if any.*

## STATEMENT OF CORPORATE GOVERNANCE

The Board is fully committed to developing and maintaining high standards of corporate governance by implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 respectively of the Malaysian Code of Corporate Governance ("the Code"). This is done with the recognition that the principles of good corporate governance and business integrity are fundamental to the goals of enhancing shareholder value and protecting the interests of all stakeholders.

The Board is pleased to provide the following statement, which outlines the primary corporate governance practices that were in place from the time of the Company's listing on the MESDAQ Market of Bursa Securities unless otherwise stated.

### A. BOARD OF DIRECTORS

#### i) Composition of the Board

The Board consists of six members, comprising one Independent Non-Executive Chairman, two Executive Directors including the Chief Executive Officer, two Non-Independent Non-Executive Directors and one Independent Non-Executive Director. A brief profile of each Director is presented on pages 6 to 7 of this Annual Report. Collectively, the Board members provide an effective Board with a mix of industry-specific knowledge and broad business, financial, regulatory and technical experience. Furthermore, there is effective check and balance on the Board, with two-thirds of the Board members being Non-Executive Directors.

The responsibilities of the Chairman and the Chief Executive Officer are clearly divided in accordance with the requirements of the Code. The Board is led by Datuk Ali bin Abdul Kadir as the Independent Non-Executive Chairman. He is responsible for running the Board and ensuring that all Directors receive sufficient information to enable them to participate actively in Board decisions. Executive management is led by Chang Mun Kee as the Chief Executive Officer who is responsible for the day to day management of the business as well as the implementation of Board policies and decisions.

The Independent Non-Executive Directors on the Board are of sufficient calibre and experience to bring objectivity, balance and independent judgment to Board decisions. They constitute one third of the membership of the Board. This helps to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company to the benefit of all stakeholders.

#### ii) Board Responsibilities

The Board has overall responsibility for the performance of the Group. This includes strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems.

#### iii) Board Meetings and Supply of Information to the Board

The Board plans at least four scheduled meetings annually, with additional meetings to be held, as and when necessary. All proceedings of the Board Meetings are minuted which are then circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting.

Directors receive a set of Board papers prior to each Board meeting. This is to enable the Directors to study matters to be discussed and obtain further explanations, where necessary, before the meeting. Directors also have full access, whether as full Board or in their individual capacity, to all information and senior management within the Group including that relating to financial, operational and technology matters.

The Directors may also obtain independent advice, whether as full Board or in their individual capacity, where necessary, in the furtherance of their duties and at the Group's expense.

Finally, Directors have direct access to the advice and the services of the Company Secretaries who are responsible for ensuring that Board procedures are followed.

Since the appointment of the current Board Members on 1 October 2004, the Board has held one Board Meeting during the financial period ended 31 December 2004. The Board Meeting held during the financial period recorded full attendance from all the Board Members.



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### iv) Appointments and Re-Election to the Board

The Nomination Committee was established on 16 May 2005 and is comprised of the following members:

Chairman	:	Datuk Ali bin Abdul Kadir	<i>(Independent Non-Executive Chairman)</i>
Members	:	Tan Sri Dato' Dr Lin See Yan	<i>(Independent Non-Executive Director)</i>
		Ng Kay Yip	<i>(Non-Independent Non-Executive Director)</i>

The Nomination Committee consists entirely of non-executive Directors with the majority being independent. The Committee identifies and recommends to the Board suitable nominees for appointment to the Board and Board Committees. The Committee is also responsible for assessing the effectiveness of the Board, its Committees and the contribution of each individual Director on an annual basis.

On appointment, non-executive Directors are briefed on the Group's business and the competitive environments in which it operates.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one-third of the Board is subject to re-election at regular intervals and at least once in every three years with the exception of the Managing Director.

### v) Directors' Training

Since the Company's listing on 29 November 2004, all Directors except for Datuk Ali bin Abdul Kadir who will attend in July 2005, have attended and completed the Mandatory Accreditation Program (MAP) conducted by Bursatra Sdn Bhd (formerly known as Bursa Malaysia Training Sdn Bhd) in compliance with the Listing Requirements. The Directors are encouraged to attend continuing training programmes as may be prescribed by the Exchange to keep abreast with developments in the market, industry and corporate scene.

### vi) Board Committees

Standing committees of the Board include the Nomination Committee, the Audit Committee (please refer to the Audit Committee Report set out on pages 13 to 16 of this Annual Report) and the Remuneration Committee.

## B. DIRECTORS REMUNERATION

The Remuneration Committee was established on 16 May 2005 and is comprised of the following members:

Chairman	:	Tan Sri Dato' Dr Lin See Yan	<i>(Independent Non-Executive Director)</i>
Members	:	Lim Chao Li	<i>(Non-Independent Non-Executive Director)</i>
		Ng Kay Yip	<i>(Non-Independent Non-Executive Director)</i>

The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration package for Executive Directors and senior management. The policy practiced on Directors' remuneration is to provide the remuneration packages needed to attract, retain and motivate Directors of the quality required to manage the business of the Group and to align the interests of the Directors with those of the shareholders, without paying more than is necessary for this purpose.

None of the Executive Directors participated in any way in determining their individual remuneration. Executive Directors' remuneration are linked to their performance.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

The Board as a whole determines the fees for the services of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. In deciding an appropriate level of fees for each Non-Executive Director, the Board considered the responsibility and time commitments taking into account the number of Board meetings, special meetings and the time required for reading Board and other papers, as well as the membership and chairmanship of Board committees.

Further details of Directors' remuneration are set out below and in Note 11 to the financial statements.

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	549	–
Fees	–	5
<b>Total</b>	<b>549</b>	<b>5</b>

The number of Directors whose total remuneration fell within specified bands were as follows:-

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
<RM50,000	–	4
RM250,001 – RM300,000	2	–
<b>Total</b>	<b>2</b>	<b>4</b>

### C. SHAREHOLDERS

It is integral to the Group's philosophy on enhancing corporate governance and encouraging accountability and transparency that it maintains an active dialogue with its shareholders with the intention of giving shareholders as clear and complete picture of the Group's performance as possible. This is done through the Group's annual report, annual general meeting and the Group's website, [www.jobstreet.com](http://www.jobstreet.com). This ensures that the shareholders are given as accurate and fair representation of the Group's performance and position as possible.

As part of the Group's investor relations programme, discussions will be held between senior management and analysts/investors throughout the year. When necessary, presentations based on permissible disclosures are made to explain the Group's performance. Price-sensitive information about the Group is, however, not disclosed in these exchanges until after the prescribed announcement to Bursa Securities has been made. In addition, the annual and quarterly reports are available on [www.bursamalaysia.com](http://www.bursamalaysia.com)

#### Annual General Meeting ("AGM")

The Company's AGM provides a vital platform for both private and institutional shareholders to share viewpoints and acquire information on issues relevant to the Group. At the AGM, shareholders will be encouraged to raise questions on the resolutions being proposed or on the Group's business operations in general. The Notice of the AGM and related documents are issued to the shareholders at least twenty-one days before the meeting.

To keep the media informed, the Group will disseminate copies of the annual report to all relevant press and hold a press conference immediately following the AGM itself at which time the Chief Executive Officer will brief those present on details of the financial year results.

The Group's website, [www.jobstreet.com](http://www.jobstreet.com), provides an alternative communications avenue, targeted at giving information on developments in the Group's business via company news to jobseekers, employees, shareholders and members of the public. The website is updated continually.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### D. ACCOUNTABILITY AND AUDIT

#### Financial Reporting

In presenting the annual and quarterly reports, the Board aims to present a balanced and comprehensive assessment of the Group's position and prospects. The Audit Committee assists the Board in overseeing the Group's financial reporting processes and the quality of its financial reporting. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 25 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.27(a) of the Listing Requirements of Bursa Securities is set out below.

#### Internal Control

The Board has overall responsibility of maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them and to provide reasonable and not absolute assurance against material misstatement, loss or fraud.

#### Relationship with External Auditors

The Company's external auditors, Messrs KPMG have continued to report to members of the Company on their findings which are included as part of the Company's financial reports with respect to this financial period's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements. The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee on pages 13 to 16 of the Annual Report.

#### Directors' Responsibilities in Respect of Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended. The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made, in the preparation of the financial statements. The Directors also ensure that applicable approved accounting standards have been followed. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

### E. OTHER INFORMATION

The following information provided is in respect of the financial period ended 31 December 2004.

#### Utilisation of Proceeds

As at 31 December 2004, the status of the utilization of the proceeds of RM9.72 million raised by the Company from its Initial Public Offering is as follows:

Description	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
Capital Expenditure	1,000	–	1,000
Working Capital	7,220	–	7,220*
Listing Expenses	1,500	1,768	(268)*
Total	9,720	1,768	7,952

\* The excess expense will be adjusted against working capital.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### **Share Buybacks**

During the period under review, the Company did not enter into any share buyback transactions.

### **Options, Warrants or Convertible 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. As at 31 December 2004, all the ESOS options remained unexercised.

Other than that, no other options, warrants or convertible securities were issued during the financial period under review.

### **American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme**

During the financial period, the Company did not sponsor any ADR or GDR programme.

### **Sanctions and/or Penalties**

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial period under review.

### **Non-Audit Fees**

The amount of non-audit fees paid and payable to the external auditors by the Group for the financial period ended 31 December 2004 was RM174,000, which was for professional services rendered in respect of the Group's listing exercise.

### **Profit Estimates, Forecast or Projection**

The Company did not issue any profit estimate, forecast or projection for the financial period.

### **Profit Guarantee**

No profit guarantee was given by the Company and or its subsidiaries in respect of the financial period.

### **Material Contracts**

During the period under review, there were no material contracts entered into by the Company and its subsidiaries which involved Directors' or major shareholders' interests.

### **Revaluation Policy**

The Group does not have any landed properties.

### **Recurrent Related Party Transactions of Revenue Nature**

The Group did not have any recurrent related party transactions of a revenue or trading nature during the financial period.

# AUDIT COMMITTEE REPORT

## MEMBERSHIP AND ATTENDANCE

Chairman : Tan Sri Dato' Dr Lin See Yan (*Independent Non-Executive Director*)  
Members : Datuk Ali bin Abdul Kadir (*Independent Non-Executive Chairman*)  
Lim Chao Li (*Non-Independent Non-Executive Director*)

During the financial period ended 31 December 2004, the Audit Committee had one meeting during the financial period ended 31 December 2004, which was attended by all members.

## TERMS OF REFERENCE

### 1. COMPOSITION

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) and shall be composed of not fewer than three members of whom the majority shall be Independent Directors.

At least one member of the Audit Committee:

- a) must be a member of the Malaysian Institute of Accountants; or
- b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:
  - aa) he must have passed the examinations specified in Part I of the 1<sup>st</sup> Schedule of the Accountants Act 1967; or
  - bb) he must be a member of one of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act 1967.
- c) fulfil such other requirements as prescribed by the Bursa Malaysia Securities Berhad.

The members of the Audit Committee shall elect a chairman from among their number who is an Independent Director.

In the event the elected Chairman is not able to attend a meeting of the Audit Committee, a member of the Audit Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Director.

A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Board of Directors so that a replacement may be appointed before he leaves.

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result of the number of members is reduced to below three, the Board of Directors shall, within two months, but in any case not later than three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

The term of office and performance of the Audit Committee and each of the members shall be reviewed by the Board at least once every three years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

## AUDIT COMMITTEE REPORT (CONT'D)

### 2. FUNCTIONS

The functions of the Audit Committee are as follows:-

- (i) To review the nomination of external auditors and their audit fees;
- (ii) To review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
- (iii) To review the effectiveness of the internal audit function (if any), internal controls and management information systems;
- (iv) To review the quarterly results and financial statements of the Company with both the external auditors, if applicable, and management, prior to the approval by the Board of Directors, focusing particularly on:-
  - (a) Any changes in accounting policies and practices;
  - (b) Significant adjustments arising from the audit;
  - (c) The going concern assumption;
  - (d) Compliance with accounting standards and other legal requirements;
- (v) To review the external auditors' audit report;
- (vi) To review any management letter sent by the external auditors to the Company and the management's response to such letter;
- (vii) To review any letter of resignation from the Company's external auditors;
- (viii) To review the assistance given by the Company's officers to the external auditors and the sponsor;
- (ix) To ensure management's compliance with the Listing Requirements and all relevant legislations, guidelines and regulations issued by regulatory authorities;
- (x) To review proposals and plans to meet compliance;
- (xi) To review management's action plans to effect any proposals to meet and maintain required standards and guidelines;
- (xii) To ensure management performs the Group's obligations under the Sponsor Agreement;
- (xiii) To authorize any of the Members to inform the Sponsor of any actual or potential non-compliance with the Listing Requirements and all relevant legislations, guidelines and regulations issued by regulatory authorities, as soon as any Member of the Committee becomes aware of such actual or potential non-compliance;
- (xiv) To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
- (xv) To review all related-party transactions and potential conflict of interests situations; and
- (xvi) All other matters delegated by the Board of Directors.

## AUDIT COMMITTEE REPORT (CONT'D)

### 3. ACCESS

The Audit Committee shall:-

- (i) Have explicit authority to investigate any matters within its terms of reference;
- (ii) Have the resources which it needs to perform its duties;
- (iii) Have full access to any information which it requires in the course of performing its duties;
- (iv) Have unrestricted access to the Chief Executive Officer and any other senior management staff of the Group;
- (v) Have direct communication channels with the external auditors and internal auditors (if any);
- (vi) Be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and
- (vii) Be able to invite outsiders with relevant experience to attend its meetings if necessary.

Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

### 4. MEETINGS

The Audit Committee shall meet at least four times a year and such additional meetings, as the Chairman shall decide in order to fulfill its duties. Upon the request of the external auditors or internal auditors (if any), the Chairman of the Audit Committee shall convene a meeting of the Committee to consider any matters that the auditors believe should be brought to the attention of the Directors or shareholders.

The Company Secretary or other appropriate senior official shall act as Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting and taking attendance for the Audit Committee meeting.

The Secretary shall also be responsible for keeping the minutes of Audit Committee and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a minimum of two audit committee members including at least one independent director.

The Finance Director, the Head of Internal Audit (where such a function exists) and a representative of the external auditors shall normally attend meetings. Other board members may attend the Audit Committee Meeting upon the invitation of the Audit Committee. However, at least once a year the Audit Committee shall meet with the external auditors without executive Board members present.

The Company must ensure that other directors and employees attend any particular audit committee meeting only at the audit committee's invitation, specific to the relevant meeting.

## AUDIT COMMITTEE REPORT (CONT'D)

### 5. REPORTING PROCEDURES

The Audit Committee shall assist the Board in preparing the following for publication in the Company's Annual Report:-

- (a) A summary of the activities of the Audit Committee;
- (b) Statement on the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;
- (c) Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
- (d) Statement on the Board's responsibility for preparing the annual audited financial statements; and
- (e) Statement about the state of internal control of the Group.

### SUMMARY OF ACTIVITIES

The Committee met once on 25 November 2004 primarily to review the quarterly report for the third quarter ended 30 September 2004 prior to submission to the Board for consideration and approval, focusing particularly on significant and unusual events and compliance with accounting standards and other legal requirements. The Committee also verified and ensured that the allocation of ESOS options during the financial period is in compliance with the criteria specified in the scheme's Bye-Laws.

### INTERNAL AUDIT FUNCTION

As the Company had only recently listed on the MESDAQ Market of Bursa Securities, an independent internal audit function to support the Audit Committee had not been established as at 31 December 2004. The Committee is aware of the fact that an independent internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control. The main role of the internal audit function will be to review the effectiveness of the system of internal control with impartiality, proficiency and due professional care.



## STATEMENT OF INTERNAL CONTROL

This statement on internal control has been prepared in compliance to the Listing Requirements of Bursa Securities.

### **BOARD RESPONSIBILITIES**

The Board recognises the importance of a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board has overall responsibility for the Group's system of internal control including the establishment of an appropriate control environment as well as reviewing its adequacy and integrity.

In view of the limitations that are inherent in any system of internal control, such a system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. It is possible that internal control may be circumvented or overridden. In addition, the effectiveness of an internal control system may vary over time due to changing circumstances and conditions.

As part of its review process, the Board will continue taking necessary measures to strengthen its internal control system to address any weaknesses identified.

### **RISK MANAGEMENT FRAMEWORK**

The Board evaluates and manages the significant risks faced, or potentially exposed to, by the Group through monitoring of the Group's operational performance, efficiency and profitability through quarterly business and financial reports.

The Board is in the process of establishing a risk management framework for identifying, evaluating and managing the significant risks faced by the Group.

The Group's existing system of internal controls comprise the following control environment, key processes and monitoring systems:

- The Audit Committee reviews the adequacy and effectiveness of the Group's risk management and internal control procedures as well as any internal control issues identified by the external auditors and management;
- An annual budgeting process that establishes monthly budgets for each business unit against which performance is monitored on an ongoing basis;
- Weekly and monthly business reports and management accounts are submitted by the respective business units for review by senior management;
- Disaster recovery policy including technical infrastructure monitoring processes to help ensure the risk of system outages is minimized; and
- Segregation of duties and limits of authority are practiced to ensure accountability and responsibility.

### **INTERNAL AUDIT FUNCTION**

The Board is in the process of outsourcing its internal audit function to an independent professional risk management and consultancy firm. The purpose of the internal audit function is to review the adequacy and integrity of the internal control systems of the Group, to assist management to mitigate risks, to assist the Board in performing its oversight responsibilities, and to assist in the creation of shareholder confidence in the Group's system of internal controls.

This statement has been made in accordance with the resolution passed in the Board of Directors' meeting held on 16 May 2005.

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# DIRECTORS' REPORT

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

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

## PRINCIPAL ACTIVITIES

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

## RESULTS

	Group RM	Company RM
Net profit for the period	2,413,154	38,405

## RESERVES AND PROVISIONS

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

## DIVIDEND

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

## DIRECTORS OF THE COMPANY

Directors who served since the date of incorporation are:

Datuk Ali bin Abdul Kadir (appointed on 1 October 2004)

Tan Sri Dato' Dr. Lin See Yan (appointed on 1 October 2004)

Lim Chao Li (appointed on 1 October 2004)

Ng Kay Yip (First Director)

Chang Mun Kee (First Director)

Suresh A/L Thirugnanam (appointed on 1 October 2004)

## DIRECTORS' REPORT (CONT'D)

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

The holdings and deemed holdings in the ordinary and preference shares of the Company and of its related corporations of those who were Directors at period end as recorded in the Register of Directors' Shareholdings are as follows:

*Shareholdings in which  
Directors have direct interest*

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

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

## DIRECTORS' REPORT (CONT'D)

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

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

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

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

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

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

### DIRECTORS' BENEFITS

Since the date of incorporation, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial period which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the options granted under the Company's Employee Share Option Scheme.

### ISSUE OF SHARES

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

## DIRECTORS' REPORT (CONT'D)

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

During the financial period, the Company undertook the following:

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

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

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

### OPTIONS GRANTED OVER UNISSUED SHARES

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

At an extraordinary general meeting held on 5 October 2004, the Company's shareholders approved the establishment of an ESOS involving up to 10% of the issued share capital of the Company at any time during the existence of the ESOS, to the Directors and eligible employees of the Group.

The options offered to take up unissued ordinary shares of RM0.10 each and the option prices are as follows:-

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

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

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

## DIRECTORS' REPORT (CONT'D)

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

The salient features of the scheme are as follows:-

- i) Eligible employees are those who have been confirmed as employees of the Group at the date of the offer. Employees include both Executive Directors and Non-Executive Directors.
- ii) The option is personal to the grantee and is non-assignable.
- iii) The options granted may be exercised at such period that may be stipulated by the option committee within the duration of the scheme upon giving notice in writing.
- iv) The scheme shall be in force for a duration of five (5) years from the effective date of the implementation of the scheme.
- v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company within the Group.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial period and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial period.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

## DIRECTORS' REPORT (CONT'D)

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial period ended 31 December 2004 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial period and the date of this report.

### AUDITORS

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

Signed in accordance with a resolution of the Directors:

**LIM CHAO LI**

**CHANG MUN KEE**

Kuala Lumpur,

Date: 28 April 2005



## 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 27 to 47 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2004 and of the results of their operations and cash flows for the period ended on that date.

Signed in accordance with a resolution of the Directors:

**LIM CHAO LI**

**CHANG MUN KEE**

Kuala Lumpur,

Date: 28 April 2005

## 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 27 to 47 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 28 April 2005.

**GREGORY CHARLES POARCH**

Before me,

**LAM THENG SUM** (No. W244)  
Commissioner of Oaths

# 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 27 to 47. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 December 2004 and the results of their operations and cash flows for the period ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the financial statements and we have considered their financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

**KPMG**

Firm Number: AF 0758  
Chartered Accountants

**FOONG MUN KONG**

Partner  
Approval Number: 2613/12/06(J)

Kuala Lumpur,

Date: 28 April 2005

## BALANCE SHEET

as 31 December 2004

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

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2005.

The notes set out on pages 32 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

## INCOME STATEMENT

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

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

The notes set out on pages 32 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

## STATEMENT OF CHANGES IN EQUITY

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

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

Note 8

The notes set out on pages 32 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

## CASH FLOW STATEMENT

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

	<b>Group 2004 RM</b>	<b>Company 2004 RM</b>
Cash flows from operating activities		
Profit before taxation	10,091,773	38,405
Adjustments for:		
Depreciation	141,645	-
Equipment written off	429	-
Gain on disposal of equipment	(85)	-
Interest income	(130,101)	-
Pre-acquisition profit before tax	(7,567,067)	-
Operating profit before working capital changes	2,536,594	38,405
Changes in working capital:		
Trade and other receivables	745,934	(128,464)
Trade and other payables and deferred income	303,595	141,743
Exchange differences	66,211	-
Cash generated from operations	3,652,334	51,684
Income tax paid	(154,185)	-
Interest received	130,101	-
Net cash generated from operating activities	3,628,250	51,684
Cash flows from investing activities		
Acquisition of investment	(116,279)	-
Acquisition of subsidiaries, net of cash acquired (Note 17)	13,069,473	-
Purchase of equipment	(214,160)	-
Proceeds from disposal of equipment	85	-
Net cash generated from investing activities	12,739,119	-
Cash flows from financing activity		
Proceeds from issuance of shares net of listing expenses	7,951,316	7,951,316
Net cash generated from financing activity	7,951,316	7,951,316

## CASH FLOW STATEMENT (CONT'D)

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

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

Cash and cash equivalents comprise:

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

The notes set out on pages 32 to 47 form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of accounting

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

### (b) Basis of consolidation

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

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

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

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

### (c) Equipment

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

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

#### *Depreciation*

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

Computers	25% - 33 $\frac{1}{3}$ %
Furniture and fittings	10%
Office equipment	20%
Leasehold equipment	20% - 25%



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

#### (g) Employee benefits

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

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

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

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

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

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

#### (h) Liabilities

Trade and other payables are stated at cost.

#### (i) Cash and cash equivalents

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

#### (k) Income tax

Tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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

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

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (l) Foreign currency (Cont'd)

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

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

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

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

#### (m) Revenue

##### (i) *Services rendered*

Revenue is recognised in the income statement upon performance of services, net of discounts and allowances.

The amount of unearned income from services to be rendered in future financial periods is disclosed as deferred income.

##### (ii) *Interest income*

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

#### (n) Expenses

##### *Operating lease payments*

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

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

#### (o) Government grants

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. EQUIPMENT

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

### 3. INVESTMENTS IN SUBSIDIARIES

	Company 2004 RM
Unquoted shares, at cost	18,527,253

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The principal activities of the subsidiaries, their place of incorporation and the effective interest of the Company are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership interest 2004
* JobStreet.com Pte Ltd and its subsidiaries:	Online recruitment and human resource management services	Singapore	100%
JobStreet.com Sdn Bhd	Online recruitment and human resource management services	Malaysia	100%
* JobStreet.com Philippines Inc	Online recruitment and human resource management services	Philippines	60%
# JobStreet.com India Private Ltd	Online recruitment and human resource management services	India	100%
** Jobstreet.com Limited	Dormant	Hong Kong	100%

\* Audited by member firms of KPMG International

\*\* Consolidated using management accounts

# Audited by other firms of auditors other than KPMG

### 4. INVESTMENT

	Group 2004 RM
At cost	
Unquoted shares outside Malaysia	116,279

### 5. TRADE AND OTHER RECEIVABLES

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. CASH AND CASH EQUIVALENTS

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

### 7. TRADE AND OTHER PAYABLES

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

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

### 8. SHARE CAPITAL

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 9. MINORITY SHAREHOLDER'S INTERESTS

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

### 10. DEFERRED TAX

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

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

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

No deferred tax has been recognised for the following items:

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

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11. OPERATING PROFIT

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

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

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

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

### 12. TAX EXPENSE

	<b>Group 2004 RM</b>
<b>Current tax</b>	
Malaysia - current	29,300
- prior year	2,947
Foreign - current	461,568
- prior year	(52,500)
<hr/>	
	441,315
<b>Deferred tax</b>	
Origination and reversal of temporary differences	(39,265)
<hr/>	
	402,050
<hr/>	



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 12. TAX EXPENSE (CONT'D)

	Group 2004 RM'000	Company 2004 RM'000
<b>Reconciliation of tax expense</b>		
Profit before taxation	10,092	38
Income tax using Malaysian tax rates	2,826	11
Effect of different tax rates in other countries	36	-
Tax rebate	(13)	-
Income not subject to tax	(42)	-
Tax incentives	(2,676)	(11)
Non-deductible expenses	367	-
Utilisation of tax losses previously unrecognised	(47)	-
	451	-
Over provision in prior year	(49)	-
Tax expense	402	-

Under the Multimedia Super Corridor ("MSC") status, the Company and a subsidiary have been granted pioneer status under the Promotion of Investments Act, 1986 in respect of their internet related services. The income from pioneer activities of the Company is fully exempted from Malaysian income tax for five years from 21 February 2004 to 20 February 2009 and is renewable to ten years. In respect of the subsidiary, the original tax exemption was from 28 May 1999 to 27 May 2004. The exemption has now been extended to 27 May 2009.

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

The current Malaysian taxation is in respect of interest income.

### 13. LEASE COMMITMENTS

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

	Group 2004 RM
Less than one year	647,236
Between one and five years	174,072
	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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14. EARNINGS PER ORDINARY SHARES - GROUP

#### *Basic earnings per share*

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

#### *Weighted average number of ordinary shares*

	2004
Issued ordinary shares at beginning of the period	20
Effect of shares issued during the period	52,763,631
<hr/>	
Weighted average number of ordinary shares	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 RM2,413,154 and the weighted average number of ordinary shares outstanding during the period of 53,573,632 calculated as follows:

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

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

### 15. SEGMENTAL INFORMATION

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

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

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

#### *Geographical segments*

The Group comprises the following main geographical segments:

Malaysia  
Singapore  
Philippines and India ("others")

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 15. SEGMENTAL INFORMATION (CONT'D)

	Malaysia 2004 RM	Singapore 2004 RM	Others 2004 RM	Elimination 2004 RM	Consolidated 2004 RM
<b>Geographical segments</b>					
Revenue from external customers	25,549,927	4,146,878	5,234,783	–	34,931,588
Inter-segment revenue	370,177	–	–	(370,177)	–
<b>Total revenue</b>	<b>25,920,104</b>	<b>4,146,878</b>	<b>5,234,783</b>	<b>(370,177)</b>	<b>34,931,588</b>
<b>Segment result</b>					
Operating profit	7,978,336	1,027,093	1,434,803	(2,626)	10,437,606
Interest expense	–	(628,732)	(1,077)	–	(629,809)
Interest income	149,542	3,878	130,556	–	283,976
Profit before taxation	8,127,878	402,239	1,564,282	(2,626)	10,091,773
Tax expense	17,323	–	(419,373)	–	(402,050)
Minority interests	–	–	(406,670)	–	(406,670)
Net profit from ordinary activities	8,145,201	402,239	738,239	(2,626)	9,283,053
Pre-acquisition (profit)/loss	(6,249,031)	5,921	(597,600)	(29,189)	(6,869,899)
Net profit for the period	1,896,170	408,160	140,639	(31,815)	2,413,154
<b>Segment assets</b>	<b>26,404,160</b>	<b>3,391,566</b>	<b>3,833,067</b>	<b>–</b>	<b>33,628,793</b>
Unallocated assets					3,582,804
<b>Total assets</b>					<b>37,211,597</b>
<b>Segment liabilities</b>	<b>4,280,038</b>	<b>1,603,739</b>	<b>2,036,565</b>	<b>–</b>	<b>7,920,342</b>
Unallocated liabilities					259,633
<b>Total liabilities</b>					<b>8,179,975</b>
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	–	–	–	–	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 16. FINANCIAL INSTRUMENTS

#### Financial risk management objectives and policies

Exposure to credit, interest rate, currency and liquidity risks arises in the normal course of the Group's business. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

#### Credit risk

Management monitors its exposure to credit risk on an ongoing basis. Credit reviews are performed on an ongoing basis and services for customers with poor payment track records are suspended. Fixed deposits are placed only with licensed banks.

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

#### Interest rate risk

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

#### Currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily US Dollars, Singapore Dollars, Philippines Peso and Indian Rupee. The Group does not hedge these exposures by entering into forward currency contracts at present. The Group considers the impact of the fluctuation in the foreign currencies to be immaterial as the volume of foreign currency transactions is insignificant.

#### Liquidity risk

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

#### Effective interest rates and repricing analysis

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 16. FINANCIAL INSTRUMENTS (CONT'D)

#### *Recognised financial instruments*

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

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

### 17. ACQUISITION OF SUBSIDIARIES

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 17. ACQUISITION OF SUBSIDIARIES (CONT'D)

#### *Effect of acquisition*

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 18. SIGNIFICANT EVENTS

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

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

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

### 19. SUBSEQUENT EVENT

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

### 20. COMPARATIVE

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

## ANALYSIS OF SHAREHOLDINGS

as at 4 May 2005

Authorised Capital	:	RM50,000,000.00
Issued And Paid-up Capital	:	RM20,100,000.00
Class of Share	:	Ordinary shares of RM0.10 each
Voting Right	:	One vote per ordinary share held

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100 shares	9	0.75	490	0.00
100 – 999 shares	53	4.43	16,290	0.01
1,000 – 4,999 shares	686	57.36	932,440	0.46
5,000 – 10,000 shares	160	13.38	1,130,470	0.56
10,001 – 100,000 shares	186	15.55	6,037,260	3.01
100,001 – 1,000,000 shares	78	6.52	25,211,880	12.54
Above 1,000,000 shares	24	2.01	167,671,170	83.42
<b>Total</b>	<b>1,196</b>	<b>100.00</b>	<b>201,000,000</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS

(As per register of substantial shareholders)

Name	Direct	No. of Shares Held		%
		%	Indirect	
Chang Mun Kee	33,365,250	16.60	–	–
Wong Siew Hui	23,867,710	11.87	–	–
Ng Kay Yip	19,465,540	9.68	–	–
Lim Chao Li	17,288,710	8.60	–	–

### DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	No. of Shares Held		%
		%	Indirect	
Datuk Ali bin Abdul Kadir	1,600,000	0.80	–	–
Tan Sri Dato' Dr Lin See Yan	700,000	0.35	–	–
Chang Mun Kee	33,365,250	16.60	–	–
Lim Chao Li	17,288,710	8.60	–	–
Ng Kay Yip	19,465,540	9.68	–	–
Suresh A/L Thirugnanam	9,276,940	4.62	–	–



## ANALYSIS OF SHAREHOLDINGS (CONT'D)

as at 4 May 2005

### 20 LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1.	Chang Mun Kee	32,865,250	16.35
2.	Wong Siew Hui	23,867,710	11.87
3.	Ng Kay Yip	19,465,540	9.68
4.	Lim Chao Li	17,288,710	8.60
5.	WIIG Global Ventures Pte Ltd	9,488,220	4.72
6.	Suresh A/L Thirugnanam	9,276,940	4.62
7.	Gregory Charles Poarch	7,377,450	3.67
8.	HSBC Nominees (Tempatan) Sdn Bhd ( <i>HSBC (M) Trustee Bhd For Value Fund (4223)</i> )	7,023,600	3.49
9.	Sumitomo Corporation Equity Asia Limited	4,913,040	2.44
10.	RHB Nominees (Asing) Sdn Bhd ( <i>Walden-Nikko Mauritius Co.</i> )	4,583,260	2.28
11.	Mavcap Technology Sdn Bhd	4,079,250	2.03
12.	BI Walden Ventures Ketiga Sdn Bhd	3,920,930	1.95
13.	Infotech Ventures Ltd	3,679,010	1.83
14.	Natarajan Muralidharan	3,214,940	1.60
15.	HSBC Nominees (Asing) Sdn Bhd ( <i>HSBC-FS for Legg Mason Asian Enterprise Trust</i> )	3,208,230	1.60
16.	HSBC Nominees (Asing) Sdn Bhd ( <i>TNTC for Government of Singapore Investment Corporation Pte Ltd</i> )	2,750,400	1.37
17.	C. J. Lim Holdings Sdn Bhd	2,035,690	1.01
18.	AmFinance Berhad ( <i>A/C for Ali Bin Abdul Kadir (Smart)</i> )	1,600,000	0.80
19.	Gaintrack Sdn Bhd	1,436,000	0.71
20.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad ( <i>Kumpulan Sentiasa Cemerlang Sdn Bhd for Bimbingan Cemerlang Sdn Bhd (TSTAC/CLNT)</i> )	1,210,000	0.60

# NOTICE OF FIRST ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the First Annual General Meeting of **JOBSTREET CORPORATION BERHAD** will be held at Anggerik Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 28 June 2005 at 10.00 a.m. for the following purposes:-

## AGENDA

### As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial period ended 31 December 2004 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve the payment of Directors' Fees for the financial period ended 31 December 2004. **Ordinary Resolution 2**
3. To re-elect the following Directors retiring under Article 83 of the Company's Articles of Association:-
  - i) Datuk Ali bin Abdul Kadir **Ordinary Resolution 3**
  - ii) Tan Sri Dato' Dr Lin See Yan **Ordinary Resolution 4**
  - iii) Mr. Chang Mun Kee **Ordinary Resolution 5**
  - iv) Mr. Lim Chao Li **Ordinary Resolution 6**
  - v) Mr. Ng Kay Yip **Ordinary Resolution 7**
  - vi) Mr. Suresh A/L Thirugnanam **Ordinary Resolution 8**
4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 9**

### As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution:

5. **Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the Issued Share Capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue." **Ordinary Resolution 10**

### BY ORDER OF THE BOARD

**TAI YIT CHAN** (MAICSA 7009143)  
**SAW BEE LEAN** (MAICSA 0793472)  
Secretaries

Kuala Lumpur

Date: 6 June 2005

## NOTICE OF FIRST ANNUAL GENERAL MEETING (CONT'D)

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the meeting.

### 5. EXPLANATORY NOTES ON THE SPECIAL BUSINESS

***Ordinary Resolution 10 on the Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.***

*The Ordinary Resolution 10, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.*

## STATEMENT ACCOMPANYING NOTICE OF FIRST ANNUAL GENERAL MEETING

**1. Directors who are standing for re-election at the First Annual General Meeting of the Company pursuant to Article 83 of the Company's Article of Association are:-**

- i. Datuk Ali bin Abdul Kadir
- ii. Tan Sri Dato' Dr Lin See Yan
- iii. Mr. Chang Mun Kee
- iv. Mr. Lim Chao Li
- v. Mr. Ng Kay Yip
- vi. Mr. Suresh A/L Thirugnanam

The profiles of the Directors standing for re-election are set out on pages 6 to 7 of the Annual Report.

**2. Details of attendance of Directors at Board Meetings**

Since the appointment of the current Board Members on 1 October 2004, the Board has held one (1) Board Meeting during the financial period ended 31 December 2004. The Board Meeting held during the financial period recorded full attendance from all the Board Members.

**3. Place, Date and Time of the First Annual General Meeting**

The First Annual General Meeting of the Company will be held at Anggerik Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 28 June 2005 at 10.00 a.m.

## PROXY FORM

No. of shares held	
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I/We, .....

of .....

being a member/members of **JOBSTREET CORPORATION BERHAD**, hereby appoint .....

of .....

or failing him/her, .....

of .....

as my/our proxy to vote for me/us on my/our behalf at the First Annual General Meeting of the Company to be held at Anggerik Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 28 June 2005 at 10.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

My/our proxy is to vote as indicated below :

No.	Ordinary Resolution	For	Against
1.	Adoption of Audited Financial Statements for the financial period ended 31 December 2004 and the Reports of the Directors and Auditors		
2.	Approval of Directors' Fees		
3.	Re-election of Datuk Ali bin Abdul Kadir		
4.	Re-election of Tan Sri Dato' Dr Lin See Yan		
5.	Re-election of Mr. Chang Mun Kee		
6.	Re-election of Mr. Lim Chao Li		
7.	Re-election of Mr. Ng Kay Yip		
8.	Re-election of Mr. Suresh A/L Thirugnanam		
9.	Re-appointment of Auditors		
10.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this ..... day of ..... 2005

.....  
Signature of Shareholder or Common Seal

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.



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Affix  
Stamp

THE COMPANY SECRETARY  
**JOBSTREET CORPORATION BERHAD**  
(COMPANY NO.: 641378-W)  
LEVEL 7, SETIA 1  
15 LORONG DUNGUN  
DAMANSARA HEIGHTS  
50490 KUALA LUMPUR

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