



JobStreet corporation berhad

(Company no. 641378-W)

Annual Report 2011



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GROUP PERFORMANCE HIGHLIGHTS

Financial Year Ended 31 December	2007	2008	2009	2010	2011
Operating Results (RM Million)					
Revenue	83.1	102.3	92.3	117.1	139.9
Results from operating activities	32.1	45.8	35.6	50.4	54.5
Profit before tax	33.7	39.9	36.6	55.2	59.8
Profit after tax	30.3	35.0	29.2	43.1	45.5
Profit attributable to owners of the Company	28.9	32.8	27.7	41.0	43.4
Net cash generated from operations	40.7	46.7	29.8	43.0	49.9
Research & development expenditure	4.6	4.8	5.3	6.0	7.9
Key Balance Sheet Data (RM Million)					
Total assets	114.6	138.8	158.0	205.0	237.8
Borrowings	0.7	0.9	0.7	0.5	0.4
Issued and paid-up share capital	61.4	62.2	63.0	63.7	64.0
Equity attributable to owners of the Company	85.2	109.2	127.2	167.2	187.1
No. of ordinary shares in issuance (no. of shares, million)	307.2	310.9	314.9	318.4	320.1
Share Information and Valuation					
Basic earnings per share (sen)	9.44	10.60	8.90	13.01	13.61
Diluted earnings per share (sen)	9.08	10.33	8.79	12.65	13.30
Net dividend per share (sen)	3.50	3.50	3.00	6.50	* 7.00
Share price as at 31 December (RM)	1.73	1.28	1.41	2.98	2.23
Net dividend yield (%)	2.02	2.73	2.13	2.18	3.14
Financial Ratios					
Return on equity (%)	33.92	30.03	21.77	24.52	23.18
Current ratio	3.2	3.0	2.6	2.1	2.2
Net asset value per share (RM)	0.28	0.35	0.40	0.53	0.58
Operating margin (%)	38.62	44.75	38.52	43.07	38.95
Net profit margin (%)	34.77	32.06	29.98	34.99	31.00

* Included the proposed final single tier dividend of 0.5 sen which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

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

Yang Chi-Kuan
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

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

Datuk Ali bin Abdul Kadir
Member, Independent Non-Executive Chairman

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

NOMINATION COMMITTEE

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

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

EMPLOYEE SHARE OPTION SCHEME (“ESOS”) COMMITTEE

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

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

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

AUDITORS

KPMG (AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : JOBST
Stock Code : 0058

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Liew Irene (MAICSA 7022609)

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77201188
Fax: 03-77201111

HEAD OFFICE

Wisma JobStreet.com
No. 27, Lorong Medan Tuanku 1
(Off Jalan Sultan Ismail)
50300 Kuala Lumpur
Tel: 03-21760333
Fax: 03-27111190

REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd (3775-X)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77201188
Fax: 03-77201111

PRINCIPAL BANKER

OCBC Bank (Malaysia) Berhad (295400-W)

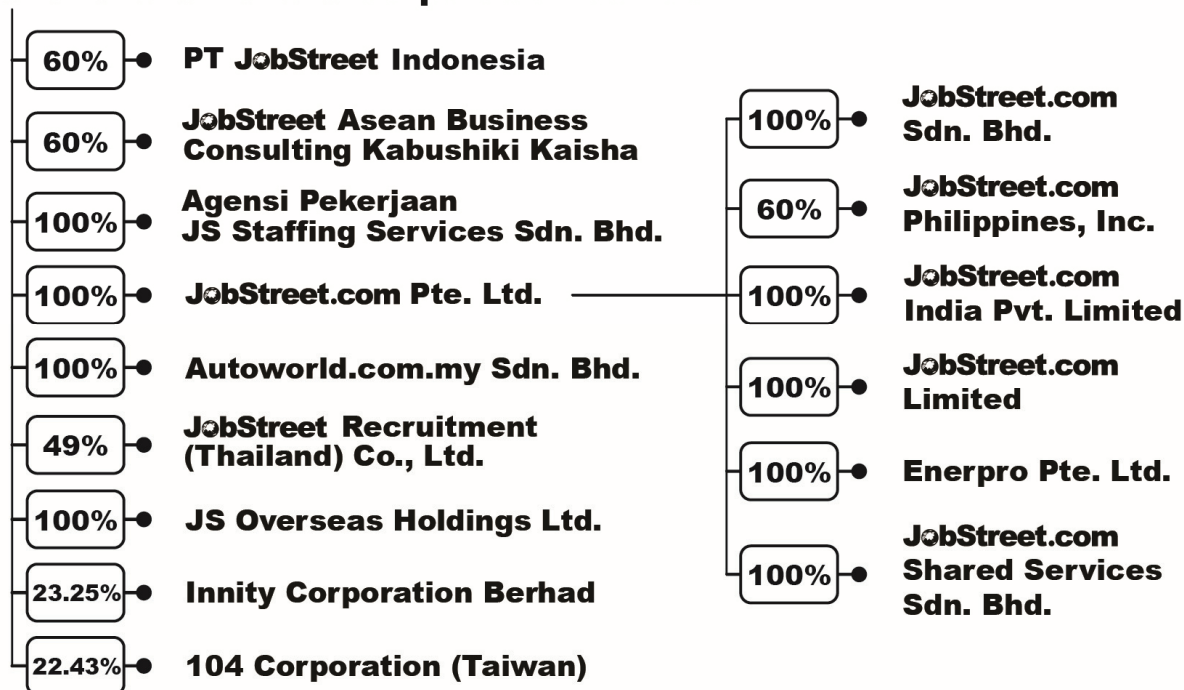
WEBSITE

www.jobstreet.com

CORPORATE STRUCTURE

as at 6 April 2012

JobStreet corporation berhad



JobStreet.com Products

Online Recruitment

- Online job posting - employers advertise jobs online to quickly receive applications online from qualified, interested jobseekers
- Resume Search - employers proactively search for suitable candidates from JobStreet's regional database of over 10.5 million jobseekers
- JobStreet's core recruitment solutions - online job posting and resume search - are powered by SiVA (Online Recruitment System) & LiNa (job matching for jobseekers)

Outsourced Human Capital Services

JobStreet.com Select & JobStreet.com Resource

- Headhunting services by recruitment consultants for permanent placements, mass recruitment drives, and managing either contract or temporary staffing services
- Combining the best of online and offline recruitment, we source & interview candidates to fill vacancies in various industries from junior to top level positions

Enterprise Recruitment Solution

JobStreet.com Impact

- Enterprise recruitment solution that can include a corporate career website, centralized candidate database, standardized recruitment process management, and reports
- Enables an organization to channel all candidates from various sourcing channels into their own corporate career website, and to develop their own talent bank
- Adopted by more than 400 clients, including global multinationals

E-Commerce & E-Business

JobStreet.com Learning

- Avenue (web portal and targeted messaging) to promote training courses, seminars and conferences to our corporate clients and jobseekers

JobStreet.com Direct

- Branding and attraction services to reach or market to millions of working professionals via online banners on the JobStreet.com portal, or email and SMS blasts (customized message sent to a targeted audience per client's pre-selected criteria)
- Enables enhancement of employer's profile and draws attention to recruitment activities

Classifieds powered by JobStreet.com

- Online job posting service at lower rates, primarily to hire for non-executive or semi-skilled positions such as sales promoters, receptionists, clerks, waiters, and technicians

LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dear Shareholders,

It is our pleasure, on behalf of the Board of Directors, to present the Annual Report and Audited Financial Statements of JobStreet Corporation Berhad (“JobStreet” or “the Group”) for the financial year ended 31 December 2011.

Globally, 2011 was characterised by a series of unprecedented events such as the Tohoku earthquake in Japan, severe flooding in Thailand, the Arab Spring uprising across the Middle East and North Africa, the downgrading of US credit rating and the persistent eurozone sovereign debt crisis. In what was expected to be a year of continuing economic growth, these adverse developments led instead to a moderation of economic growth worldwide with Asia reporting decent growth amid a softer economic outlook. Within that macro environment, with many companies looking to recruit more staff, we decided to implement strategies to reach out to new customers. By the close of 2011, we were able to hit our targets on some of the key non-financial metrics such as number of unique customers and jobs posted on our websites, albeit at lower yields. Given the higher operating costs and moderation of economic conditions in the region, the Group recorded a 5.8% increase in net profit attributable to shareholders. Considering the circumstances, we are satisfied that we have been able to take on the challenges and strengthen our position for the future.

The Group continued to receive recognition in 2011. Among the top 100 eligible public listed companies in Malaysia, JobStreet was ranked no. 15 in the annual KPMG Shareholder Value Awards 2011 (“SVA”). The SVA recognises public listed companies in Malaysia that have delivered exceptional value for their shareholders. We are also pleased to report that JobStreet was awarded the Top Mid-Cap Company at the Malaysian Corporate Governance (“MCG”) Index 2011 Awards. For the MCG Index 2011, JobStreet achieved a ranking of 39th placing among the top 100 PLCs, an improvement from its ranking of 45th placing in 2010.

As we move into 2012, the extent of the moderation in global growth would appear to be largely contingent on how the on-going debt crisis evolves. Given Asia’s integration with the advanced economies, economic growth in the region is expected to be subdued with many countries in the region projecting conservative growth forecasts for 2012. Apart from the economic headwinds and on-going intense competition, the new threat that we are focused on addressing is that posed by social media sites such as LinkedIn entering our space in a big way and taking away market share which we will discuss this in more detail below. While we face these threats and the uncertain economic environment, our committed team and increasingly strong balance sheet does put us in a stronger position to be able to face the challenges in the year ahead.

2011 IN REVIEW

The Group’s revenue increased 19.4% to RM139.9 million compared to RM117.1 million in 2010. This is primarily driven by the Group’s principal markets of Malaysia, Singapore and Philippines. Revenue from our core on-line job posting product, JobStreet Essential, grew 17.1%. Revenue from the Group’s offline recruitment services, JobStreet Select and JobStreet Resource, which we offer primarily in Malaysia, grew 48.6% and 16.8% respectively due to the relatively strong economic momentum and accommodative economic policies in Malaysia.

In 2011, we focused on scaling our business through investment in additional headcount and marketing. Coupled with inflation in staff salary, our staff costs increased across the region. Our operating margins dipped to 38.9% in 2011 compared with 43.1% in 2010 as staff costs and marketing expenses rose by 24.2% and 48.7% respectively. Office rental and travelling expenses also rose in tandem with the higher headcount in our subsidiaries overseas.

During the year, the Group had invested approximately RM11.0 million on quoted securities comprising various Real Estate Investment Trust (“REITs”) and listed business trusts in Singapore with the objective of getting higher returns on its surplus funds in Singapore. The escalation of the eurozone sovereign debt crisis towards the second half of the year and general concerns of a global economic slowdown resulted in stock markets worldwide to plunge in August and November. This resulted in the

fair value of our quoted investments in Singapore to decline by RM1.2 million in 2011. We believe in taking a longer term view of these investments and we are confident that these short term market aberrations will recover in due course.

Share of profit of equity-accounted associates, namely 104 Corporation and Innity Corporation Berhad ("Innity"), and a jointly-controlled entity, JobStreet Recruitment (Thailand) Co., Ltd, collectively increased by 30.7% to RM5.1 million compared with RM3.9 million in 2010. This was mainly due to the equity accounting of 104 Corporation's profit on a full year basis in 2011 compared with only 9 months in 2010. 104 Corporation continued to perform satisfactorily in 2011, reporting a profit of TWD228.2 million. We were very happy to have Mr Rocky Yang, 104 Corporation's Founder and CEO, join our board of directors in February 2012 and look forward to tap on his leadership and experience. Innity was a nice surprise in 2011, reporting a profit of RM2.3 million, up from RM0.2 million in 2010. The improvement was due to higher revenue generated from their operations in Malaysia and Singapore.

Malaysia continues to be our largest market with a 60% revenue contribution to the Group in 2011, down slightly from 62% in 2010. Number of jobs posted grew over 25% year-on-year in 2011. We faced significant competitive threats during the year, but responded aggressively and believe we have been able to maintain a very strong position in the online recruitment market in Malaysia as we exit from 2011.

Singapore is our second largest market with a 19% revenue contribution in 2011, maintaining its level of contribution in 2010. Showing the strength of the recruitment market, the number of jobs posted grew more than 50% year-on-year in 2011. That being said, it remains a very competitive market and given the high number of search & selection firms and strong competition for talent, we believe social media will emerge as an online recruitment threat here in the near future.

After Singapore, we have Philippines with a 15% revenue contribution in 2011, up from 14% in 2010. Again, we saw very high volume growth with the number of jobs posted growing more than 100% year-on-year in 2011. A large part of this is driven by the BPO sector with many call centres being set up in Philippines which have huge recruitment requirements. All of these jobs continue to drive strong jobseeker traffic with our Philippines database of jobseekers being significantly larger than any of our other countries. The BPO segment is quite sophisticated in reaching out to talent so again it is a market where social media competitors could take market share in the future. As such, we are taking measures to counteract that threat.

Indonesia is a key growth market for the future. In terms of revenue contribution in 2011, it is still small at below 5% but there is tremendous potential in this densely populated country of over 240 million people and strong economic prospects.

Thailand is a market where we launched our service relatively recently in 2009. As with Indonesia, we have been focused on building the local team and acquiring customers and jobseeker traffic during this early stage. In the long-term, we hope to build a meaningful presence in this key Southeast Asian country.

Overall, the Group's net profit attributable to shareholders amounted to RM43.4 million, an increase of 5.8% from 2010. Earnings per share amounted to approximately RM0.14 per share. The Board has declared dividends totalling 6.5 sen to date and together with the proposed final dividend of 0.5 sen, we would have returned slightly above 50% of 2011 profits to shareholders consistent with our announced dividend policy.

Our financial position continued to strengthen with shareholders' equity of RM187.1 million as at 31 December 2011 compared to RM167.2 million at the end of the previous year. Our liquid cash reserves increased to RM65.6 million, with negligible debt. Apart from cash, we also have another RM51.4 million of other investments which include money market funds, bond funds, as well as our holdings in Cinderella Media Group Limited (formerly known as Recruit Holdings Limited), 1010 Printing Group Limited (a spinoff from Cinderella Media during 2011), and Asiatravel.com Holdings Ltd. Our trade receivables, net of impairment loss, amounted to RM13.0 million which translates into a very healthy average day sales outstanding of only 28 days. Towards the end of 2011, we had cancelled our holdings of 2,221,500 treasury shares given the Group's strong cash position.

During the year, we had streamlined and consolidated the product and technology, group management, human resource, finance and marketing functions within a new subsidiary, JobStreet.com Shared Services Sdn Bhd (“JSS”) which was set up as an Operational Headquarters (“OHQ”) to support the operations across the Group. JSS has been granted OHQ status which provides income tax exemption for a period of 10 years.

LinkedIn, headquartered in Silicon Valley and listed on the New York Stock Exchange, is a large global professional network on the Internet with more than 150 million members. They appear to be developing their service as a job site with a social media twist. Currently, LinkedIn has more than 2,000 staff located in 22 countries worldwide and they are continuing their expansion outside the US. While LinkedIn does not currently have a direct presence in our core markets except in Singapore, the risk of them entering into our markets is there. While that may heighten the level of competition directly, the bigger threat is that LinkedIn’s products and platform may actually evolve into a form of substitution in the recruitment industry. We will continue to keep track of this development and invest in our product development strategies accordingly as we’ll discuss below.

The number of active users registered with JobStreet across the region surpassed the 10 million mark by the close of 2011 especially strong growth recorded in the Philippines and Indonesia. Overall, we were able to achieve a 21.1% user database growth in 2011, in part a result of our increased marketing spending across the region.

We would also like to take this opportunity to formally introduce to you Henry Wee, who had joined us in May 2011 as our Chief Technology Officer. Besides adding management depth, he will also take on the day to day responsibility of managing some of our product and technology resources from Dr. Albert Wong, who in turn will be focused on architecture.

The Group invested RM7.9 million in product and technology development during the year, an increase of 33% from 2010. This continues to be a primary area of focus as investment and innovation in this area are critical to being able to scale our business as well as provide the best possible service when benchmarked against our historical competitors and emerging threats from social media. Our investments here will improve our ability to meet the needs of jobseekers and our customers by offering new services, features that will simplify the recruitment process and increase engagement with jobseekers and more in-depth localization to all the different markets in which we operate. An example of innovation leveraging on the mobile platform is a new service that we have just recently launched called “Jobs Near Me”, an iPhone app that uses the in-built accelerometer to deliver proximity-based job search feature. “Jobs Near Me” allows jobseekers to find jobs nearby with just a shake of the phone. We believe such mobile apps integrated with localisation are critical in taking jobseeker engagement beyond the PC platform and differentiating our services from competitors.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

To ensure long term sustainability of our business, we acknowledge that we have to also take into consideration the interest of our other stakeholders – our employees, jobseekers who use our services, our customers, vendors, the community at large and the environment. Looking after the interests of certain stakeholders at the expense of others would only bring negative consequences to our business at one point or another.

Corporate social responsibility remains embedded in the heart of our business operations as we strive to help thousands of jobseekers improve their lives through better careers. We can see the negative impact in the United States and Europe where people cannot find jobs and we try to do our part to make that process as efficient as possible in this region. Jobseekers continue to post their profiles and apply for jobs for free on our website and we will continue to provide the basic services for free. We believe in continuous research and development and enhancement of our products and services which will lead to more accurate matching of relevant jobs to relevant jobseekers. Our LiNA job matching virtual agent continues to match both active and passive jobseekers with relevant job opportunities. In 2011 alone, over 1 million jobs from across the region were posted on JobStreet.com and matched to jobseekers. We also continued to reach out to jobseekers and undergraduates on the ground through our participation in career fairs and talks, industry nights, campus events and resume & career clinics. The

Malaysia Career & Training Fair co-organised by JobStreet.com twice a year in Malaysia for example, continued to draw over 100,000 jobseekers through its entrances.

In 2011, we were saddened to see Thailand being hit by the flood crisis that resulted in deaths and affected millions of people including our own staff. We lent a helping hand by allowing employers from neighbouring countries post jobs on the JobStreet.com Thailand website for free with the hope that they will employ Thais who have lost their jobs due to the crisis. In addition, JobStreet.com became the media sponsor for a charity basketball tournament aiming to raise funds for the flood victims. Our staff and members also volunteered in various disaster relief works.

In terms of the marketplace, we aim to incorporate the values of integrity, honesty, humility, transparency and mutual respect in all facets of our business and operations. In JobStreet.com, one of our key operational mandates is to protect the personal data that jobseekers have entrusted to us and to ensure their privacy is not compromised. We have for example taken action to pull down suspicious advertisements that may not have been genuinely seeking to hire candidates and to send periodic reminders and alerts to jobseekers to be careful of such practices. We also take steps to ensure that jobseekers' personal data are not used for any other purposes without their consent. As mentioned earlier, we are proud to have been recognised as the Top Mid-Cap Company at the Malaysian Corporate Governance Index 2011 awards, an accomplishment that we value and intend to do our best to live up to this mantle.

Through our web-based recruitment management system, we also promulgate a green approach towards recruitment by making available a paperless process where the storage of resumes, job applications and processing of applications can all be done online without having to print a single hardcopy. Putting that in the perspective of thousands of job applications and hiring activities being conducted over the Group's systems across the region on a daily basis, we believe the Group had contributed substantially to the reduction of paper usage over the years.

We believe that highly engaged employees are a key in delivering the Group's strategies and achieving its objectives. To this end, various internal communication channels ranging from CXO forums and townhall meetings, employee surveys to financial updates were deployed. These channels give our employees visibility into the Group's strategies and objectives to ensure their roles and responsibilities are aligned to the overall strategies and objectives. In addition, an on-boarding experience programme is in place to assist in assimilating new hires into the Group's culture and to help them adapt into their roles. The Group also subscribes to a competitive, performance-based remuneration scheme, rewarding staff who had performed well. In addition, any staff who successfully invents a product, process or a solution and submits a patent application for it will be duly rewarded under the Group's patent incentive policy. The Group also rewards staff for their loyalty upon reaching the 5th year and 10th year of service with the Group.

APPRECIATION

Again, we would like to record our sincere appreciation to all our valued customers, jobseekers, partners and shareholders for your continued support during the past year.

The success of the Group in 2011 would not have been possible without the commitment, passion and tenacity of our employees. This was clearly evident in 2011 with the increased level of competition and emergence of new social media threats. Our employees clearly exemplified the proverb, when the going gets tough, the tough get going. We look forward to working closely with this smart and energetic bunch of talent in 2012, in taking your company to the next level.

DATUK ALI BIN ABDUL KADIR
Chairman

MARK CHANG MUN KEE
Founder and Chief Executive Officer

PROFILE OF DIRECTORS

Datuk Ali bin Abdul Kadir

Independent Non-Executive Chairman

Datuk Ali bin Abdul Kadir, a Malaysian aged 62, was appointed to the Board on 1 October 2004. Datuk Ali is Chairman of the Nomination and ESOS Committees, and a member of the Audit and Risk Committee. He is Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also Honorary Advisor to ICAEW City Chapter, Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK) and the Malaysian Institute of Directors.

Datuk Ali is currently the Chairman of the Financial Reporting Foundation, member of the Labuan Offshore Financial Services Authority, Director of Labuan IBFC and Trustee of Kadir & Fatimah Foundation. Datuk Ali is chairman of Microlink Solutions Berhad, Privasia Technology Berhad, Milux Corporation Berhad and director of Glomac Berhad.

Datuk Ali was appointed as Chairman of the Securities Commission of Malaysia on 1 March 1999 and served in that capacity until 29 February 2004. He also served on a number of national-level committees. Prior to his appointment to the Securities Commission, he was the Executive Chairman and Partner of Ernst & Young and its related firms. He was also the former President of the Malaysian Association (now Institute) of Certified Public Accountants, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. He was a member of the Malaysian Audit Oversight Board. He was appointed as an Adjunct Professor in the Accounting and Business Faculty, University of Malaya in 2008 and retired in August 2011. He was then appointed to the Advisory Board of the same Faculty.

On the international front, Datuk Ali was the Chairman of the International Organisation of Securities Commissions' (IOSCO) Asia Pacific Regional Committee and the Islamic Capital Market Task Force, and a member of IOSCO's Executive Committee. In addition, he was also a Trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions and the Consultant to the Sri Lanka Securities and Exchange Commission in 2006 for their Capital Market Strategic Plan.

Tan Sri Dato' Dr Lin See Yan

Independent Non-Executive Director

Tan Sri Dato' Dr. Lin See Yan, a Malaysian aged 73, is an Independent Non-Executive Director of the Company and was appointed to the Board of Directors on 1 October 2004. Tan Sri Dr. Lin is also the Chairman of the Audit and Risk and Remuneration Committees, and a member of the Nomination Committee.

Tan Sri Dr. Lin is an independent strategic and financial consultant. Qualified as Malaysia's first Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received 3 degrees, including a PhD in Economics). He is also Professor of Economics (Adjunct), Universiti Utara Malaysia, Professor of International Finance and Business (Adjunct), Universiti Malaysia Sabah, an Eisenhower Fellow and a Fellow of the IMF Institute (Washington DC), Royal Statistical Society (London), Malaysian Institute of Bankers, Malaysian Insurance Institute (Hon.), Malaysian Institute of Management and Malaysian Economic Association. He is also a Distinguished Fellow of the Institute of Strategic and International Studies.

Prior to 1998, he was Chairman/President and CEO of Pacific Bank and for 14 years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. Tan Sri Dr. Lin continues to serve the public interest; some current appointments include: Member of the Prime Minister's Economic Council Working Group, as well as member of select Committees on Higher Education; Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia; Member, Asian Shadow Financial Regulatory Committee; Governor, Asian Institute of Management, Manila; Director, Monash University Sunway Campus Malaysia Sdn Bhd.; and Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA) as well as President, Harvard Club of Malaysia.

Tan Sri Dato' Dr Lin See Yan (cont'd)

Tan Sri Dr. Lin advises and sits on the Boards of a number of publicly listed companies including Ancom Berhad, Fraser & Neave Holdings Berhad, Genting Berhad, KrisAssets Holdings Berhad, Wah Seong Corporation Berhad and Top Glove Corporation Berhad and a number of private business enterprises in Malaysia and Singapore.

Chang Mun Kee

Executive Director, Founder and CEO

Mr. Chang Mun Kee, a Malaysian aged 46, 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. He currently sits on the Boards of Innity Corporation Berhad, Vitrox Corporation Berhad and 104 Corporation, Taiwan.

Suresh A/L Thirugnanam

Executive Director

Mr. Suresh A/L Thirugnanam, a Malaysian aged 47, is an Executive Director and the Chief Operating Officer 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. Mr. 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. He does not hold any other directorship of public companies.

Ng Kay Yip

Non-Independent Non-Executive Director

Mr. Ng Kay Yip, a Malaysian aged 46, is a Non-Executive Director and co-founder of the JobStreet Group. He has been a Director of the Company since its incorporation and is a member of the Nomination, Remuneration and ESOS Committees. 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. He does not hold any other directorship of public companies.

Lim Chao Li

Non-Independent Non-Executive Director

Mr. Lim Chao Li, a Malaysian aged 45, is a Non-Executive Director and co-founder of the JobStreet Group. He was appointed to the Board of Directors on 1 October 2004 and is a member of the Audit and Risk, Remuneration and ESOS Committees. 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. He does not hold any other directorship of public companies.

Yang Chi-Kuan

Non-Independent Non-Executive Director

Mr. Yang Chi-Kuan, a Taiwanese aged 52, is a Non-Executive Director of the Company and was appointed to the Board of Directors on 20 February 2012. Mr. Yang obtained his Bachelor of Arts in Foreign Language and Literature from the National Cheng Kung University, Taiwan. He has been the Chief Executive Officer of 104 Corporation (Taiwan) since its inception and Chairman of its board of directors since the company’s incorporation. Prior to founding 104 Corporation in 1996, he was with Plus & Plus Computer Corp as a sales manager in 1985 and with Sunrex Computer Corp, a Taiwanese Notebook PC Maker, as a sales director in 1992. He left Sunrex Computer Corp in 1994 to establish 104 Corporation which expanded horizontally and vertically to attain market leader position as an integrated human resource service provider in Taiwan under his direction.

None of the Directors have any family relationship with any other Director and/ or major shareholders of the Company.

None of the Directors have any conflict of interest in any business arrangement involving the Company, nor have any convictions for offences within the past 10 years.

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 (Revised 2007) (“the Code”). It recognizes 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 consistently adopted by the Group.

A. BOARD OF DIRECTORS

i) Composition of the Board

The Board consists of seven members, comprising one Independent Non-Executive Chairman, two Executive Directors including the Chief Executive Officer, three Non-Independent Non-Executive Directors and one Independent Non-Executive Director. A brief profile of each Director is presented on pages 9 to 11 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 approximately two-thirds of the Board members being Non-Executive Directors. The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company and provides the appropriate balance and size to govern the Company effectively.

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. Datuk Ali bin Abdul Kadir is also the Senior Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors. 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 caliber and experience to bring objectivity, balance and independent judgment to Board decisions. They constitute approximately 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. The Board is guided by a Charter which sets out the practices and processes in the discharge of its responsibilities; the matters it has reserved for consideration and decision-making; the authority it has delegated to the Chief Executive Officer, including the limits which the CEO can execute the authority; and provides guidance on the division of responsibilities between the Board and CEO.

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 and its deliberations in terms of the issues discussed, and the conclusions in discharging its duties and responsibilities are minuted which are then circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

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. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure effective functioning of the Board. The removal and appointment of a successor, as permitted under their terms of appointment, is a matter for the Board to decide. The Company Secretaries ensures that all Board meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company.

The Board met four (4) times for the financial year ended 31 December 2011 and the summary of attendance at the Board Meetings held is as follows:

Directors	Number of Board Meetings	
	Held	Attended
Datuk Ali bin Abdul Kadir (Chairman)	4	4
Tan Sri Dato' Dr. Lin See Yan	4	4
Chang Mun Kee	4	4
Suresh A/L Thirugnanam	4	4
Ng Kay Yip	4	3
Lim Chao Li	4	4
Yang Chi-Kuan (appointed on 20 February 2012)	N/A	N/A

iv) Appointments and Re-Election to the Board

The Nomination Committee comprised of the following members:

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

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 on an annual basis, the effectiveness of the Board, its Committees and the contribution of each individual Director including Independent Non-Executive Directors as well as the Chief Executive Officer. The Board, through the Nomination Committee, annually reviews its required mix of skills, knowledge, experience and other qualities, including core competencies which Non-Executive Directors bring to the Board and candidates' ability to discharge their responsibilities. All assessments and evaluations carried out by Nomination Committee in the discharge of all its functions are properly documented.

The Nomination Committee is satisfied that the size, structure and composition of the Board remained appropriate and the Independent Non-Executive Directors continued to demonstrate their independence through their engagement in meetings providing objective

challenge to management and bringing independent judgments to decisions taken by the Board. The Nomination Committee concluded that the Board and Board Committees generally have a good mix of skills, knowledge, experience and professional qualifications required to contribute positively to the Group and is operating in an effective manner and that each Director continues to make effective contributions to the work of the Board.

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.

The Nomination Committee recommended to the Board on the endorsement of the retiring Directors, Mr. Yang Chi-Kuan, Tan Sri Dato' Dr Lin See Yan, Mr. Chang Mun Kee and Datuk Ali bin Abdul Kadir, who will seek re-appointment and re-election at the forthcoming 8th Annual General Meeting.

On 20 February 2012, the Nominating Committee assessed and recommended to the Board the new appointment of Mr Yang Chi-Kuan as Non-Independent Non-Executive Director who will submit himself for re-election at the forthcoming 8th Annual General Meeting.

During the financial year under review, one (1) meeting was held and attended by all its members.

v) Directors' Training

All Directors except Mr. Yang Chi-Kuan have attended and completed the Mandatory Accreditation Programme (MAP) conducted by Bursatra Sdn Bhd in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). Mr. Yang Chi-Kuan will attend and complete the MAP on 16-17 May 2012.

In addition, during the financial year under review, all Directors attended various forums, programmes, workshops and seminars as follows:-

1. IFRS' 5th Asia Oceania IFRS Regional Policy Forum
2. Labuan FSA's Top Team Effectiveness Workshop
3. Navigating a Changing Anti-Corruption Landscape (UK Bribery Act) by Norton Rose
4. Overview of Social Media Marketing by Ian McKee
5. The General Manager as Strategist & Implementer by Prof. David Garvin
6. Malaysia-China-Asia Pacific Women's Economic Summit
7. The Innovator DNA by Harvard Business School
8. The Ambidextrous CEO by Harvard Business School
9. Development of Global Competency – Partnership between Businesses and Universities - Meiji University in Tokyo, Japan
10. Risk Management For Directors, CEOs and Senior Executives
11. Managing Transfer Pricing in Asia
12. Green Building Index Forum : Update on Tools and Incentives by the Malaysia Green Building Confederation
13. The General Manager as Decision Maker by Prof. David Garvin
14. Connected Leadership and Creating Sustainable Value by &samhoud
15. Linking Strategy to Sales by Prof. Frank V. Cespedes
16. Bringing Industry into the Classroom – INTI Education Group Industry Advisory Board

The Directors are also encouraged to attend other training programmes as may be prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") from time to time to enable them to discharge their responsibilities as directors more effectively.

vi) Board Committees

The Board delegates certain responsibilities to the Board Committees to assist in the discharge of its responsibilities. The role of Board Committees is to advise and make recommendations to the Board. Standing committees of the Board include the Nomination Committee, the Audit and Risk Committee (please refer to the Audit and Risk Committee Report set out on pages 20 to 26 of this Annual Report), the Remuneration Committee and the ESOS Committee.

vii) Code of Ethics

The Board has adopted and implemented a Code of Ethics (“the Code”) for Directors of the Company and its subsidiaries. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code establishes a standard of ethical behaviour for Directors based on acceptable belief and values. It also includes guidance on relationship with shareholders, employees, creditors and customers and the standard of conduct with regards to social responsibilities and the environment.

B. DIRECTORS REMUNERATION

The Remuneration Committee is comprised the following members:

Chairman : Tan Sri Dato’ Dr Lin See Yan (*Independent Non-Executive Director*)
 Members : Lim Chao Li (*Non-Independent Non-Executive Director*)
 Ng Kay Yip (*Non-Independent Non-Executive Director*)

The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as reviewing 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 is linked to their performance.

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.

The Remuneration Committee meets as and when required. For the financial year under review, one (1) meeting was held and was attended by all its members.

Further details of Directors’ remuneration are set out below and in Note 18 to the financial statements:

	Executive Directors RM’000	Non-Executive Directors RM’000
Salaries and other emoluments	1,142	-
Fees	-	195
Total	1,142	195

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

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	-	3
RM 50,001 – RM 100,000	-	2
RM 500,001 – RM 550,000	1	-
RM 600,001 – RM 650,000	1	-
Total	2	5

The Board has chosen to disclose the remuneration in bands pursuant to the Listing Requirements as separate and detailed disclosures of individual director's remuneration will not add significantly to the understanding and evaluation of the Company's governance.

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. 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.

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, 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.

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 and Risk 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 99 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.26 (a) of the Listing Requirements 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 recognizes that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing and managing them and to provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Whistle-Blowing Policy

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimization, harassment or subsequent discrimination.

Any person who wishes to report a suspected impropriety may submit his/her report to the Audit and Risk Committee via jobstreetwhistle@gmail.com. This is a secure email address accessible only by the Audit and Risk Committee members.

Relationship with 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 year'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 and Risk Committee in relation to the external auditors is set out in the Audit and Risk Committee Report on pages 20 to 26 of the Annual Report.

The Audit and Risk Committee also has explicit authority to communicate directly with the internal auditors.

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 year ended 31 December 2011.

Statement on Compliance with the Best Practices in Corporate Governance

The Board considers that the Company complies with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance.

Utilization of Proceeds

As at 31 December 2011, there were no balances of proceeds raised from any corporate proposal which has not been fully utilized.

Share Buybacks

The Company had obtained its shareholders' approval at the Company's Annual General Meeting held on 22 June 2011 in respect of the share buy-back of up to 10% of the issued and paid up share capital of the Company.

During the financial year under review, the Company had bought back from the open market 30,800 of its issued Ordinary Shares of RM0.20 each ("JCB Shares") listed on the Main Market and retained as treasury shares. A monthly breakdown of treasury shares bought back during the financial year under review is set out below:

Month	No. of shares	Consideration paid (RM)*	Minimum price paid (RM)	Maximum price paid (RM)	Average price paid (RM)
May 2011	1,000	3,033.90	2.990	2.990	2.990
August 2011	15,500	43,621.83	2.790	2.800	2.795
October 2011	10,000	25,384.76	2.520	2.520	2.520
November 2011	4,300	10,812.21	2.450	2.500	2.475
Total	30,800	82,852.70	2.450	2.990	2.720

* Including transaction costs

In addition to the above-mentioned, the Company had cancelled a total of 2,221,500 number of ordinary shares retained as treasury shares during the financial year ended 31 December 2011.

Options, Warrants or Convertible Securities

The Company has one Employee Share Options Scheme (ESOS) in existence during the financial year. Details of the scheme are as follows:-

	No. of options over ordinary shares of RM0.20 each		
	Directors and Chief Executives	Eligible Employees	Total
Total number of options granted	13,850,000	30,714,500	44,564,500
Total number of options exercised/ lapsed	(8,670,000)	(22,618,650)	(31,288,650)
Total options outstanding	5,180,000	8,095,850	13,275,850

Pursuant to the Company's ESOS Bye-Laws, not more than 50% of the shares available under the scheme shall be allocated, in aggregate, to directors and senior management. Since the commencement of the scheme, 31.1% of the shares/options granted under the scheme have been granted to directors and senior management.

The movement in the number of options offered to take up unissued ordinary shares of RM0.20 each and the option price pursuant to the Company's ESOS is set out in the Directors' Report on page 33 of the Annual Report.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Pursuant to paragraph 9.25 and Part A of Appendix 9C (27) of the Listing Requirements, the breakdown of the options offered to and exercised by the Non-Executive Directors in respect of the ESOS during the financial year under review is set out as below:

The Company	Number of options over ordinary shares of RM0.20 each			
	At 1.1.2011	Granted	Exercised	At 31.12.2011
Datuk Ali bin Abdul Kadir	350,000	-	70,000	280,000
Tan Sri Dato' Dr Lin See Yan	350,000	-	70,000	280,000
Total	700,000	-	140,000	560,000

Apart from the aforementioned, no warrants or convertible securities were issued during the financial year under review.

Depository Receipt Programme ('DRP')

During the financial year, the Company did not sponsor any DRP 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 year under review.

Non-Audit Fees

The amount of fees for non-audit related work paid or payable to the external auditors by the Group for the financial year ended 31 December 2011 was RM57,000.

Profit Estimates, Forecast or Projection

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

Profit Guarantee

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

Material Contracts

During the financial year 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 a revaluation policy in respect of the Group's property.

Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during the financial year under review, which exceeded the materiality threshold stipulated in Paragraph 10.09 (2)(b) of the Listing Requirements.

AUDIT AND RISK 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*)

The Audit and Risk Committee ("ARC") held five (5) meetings during the financial year. The attendance of the Committee members was as follows: -

Committee Members	Number of meetings attended during ARC Members' tenure in office
Tan Sri Dato' Dr Lin See Yan (Chairman)	5/5
Datuk Ali bin Abdul Kadir	5/5
Lim Chao Li	5/5

During the financial year, the ARC has met with the external auditors twice without the Executive Board members and management present.

TERMS OF REFERENCE

1. COMPOSITION

The ARC 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 (3) members (none of whom shall be Executive) of whom the majority shall be Independent Directors.

All the members shall be financially literate and at least one (1) member of the ARC:

- 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:
 - i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- c) must be a person who fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

The members of the ARC shall elect a chairman from among their number who is an Independent Director. No alternate Director of the Board shall be appointed as a member of the Committee.

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

A member of the ARC 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 ARC resigns, dies or for any other reason ceases to be a member resulting in the number of members being reduced to below three, the Board of Directors shall, within two (2) months, but in any case not later than three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

1. COMPOSITION (CONT'D)

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

2. FUNCTIONS

The ARC has the overall responsibility for overseeing the risk management activities of the Company and its subsidiaries (the "Group"), approving appropriate risk management procedures and measurement methodologies across the organisation. Its primary functions are as follows:

- (i) To review the appointment and performance of external auditors, the audit fee, any question of resignation or dismissal, any letter of resignation from the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment before making recommendations to the Board of Directors and recommend the nomination of a person or persons as external auditors;
- (ii) To review the adequacy of existing external audit arrangements, with particulars emphasis on the scope and quality of the audit;
- (iii) To ensure that the internal audit function is independent of the activities it audits and the internal auditors shall report directly to the Committee. The head of internal audit shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company;
- (iv) To take cognisance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit function) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning;
- (v) To review the adequacy of the internal audit scope and plan, including the internal audit programme; functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (vi) 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;
- (vii) To review the external auditors' audit report;
- (viii) To review any management letter sent by the external auditors to the Company and the management's response to such letter;
- (ix) To review the assistance given by the Company's officers to the external auditors;
- (x) To ensure management's compliance with the Listing Requirements and all relevant legislations, guidelines and regulations issued by regulatory authorities;
- (xi) To review proposals and plans to meet compliance;

2. FUNCTIONS (CONT'D)

- (xii) To review management's action plans to effect any proposals to meet and maintain required standards and guidelines;
- (xiii) To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
- (xiv) To review all related-party transactions and potential conflict of interests situations;
- (xv) To prepare reports, if the circumstances arise or at least once (1) a year, to the Board of Directors summarising the activities or work performed in fulfilling the ARC's primary responsibilities, including details of relevant training attended by each ARC Member;
- (xvi) To review the adequacy and effectiveness of the Group's risk management activities and internal control procedures as well as any internal control issues identified by the external and internal auditors;
- (xvii) To ensure the implementation of the objectives outlined in the Enterprise Risk Management Framework and compliance with them;
- (xviii) To evaluate the process of the Group has in place for assessing and continuously improving internal controls and systems, particularly those related to areas of significant business risk;
- (xix) To review risk management reports particularly the significant risk observations and risk response and ensure that appropriate action plan is in place to mitigate the risk;
- (xx) To report to the Board any significant risk observations that warrants the Board's attention;
- (xxi) To provide routine quarterly reporting and update the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals;
- (xxii) To work with the Group Financial Controller and Group Internal Audit Department in the preparation of the Statement on Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approvals of the Board; and
- (xxiii) All other matters delegated by the Board of Directors.

The Chairman of the ARC shall engage on a continuous basis with senior management, such as the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit and the external auditors in order to be kept informed of matters affecting the Group.

3. ACCESS

The ARC 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 and unrestricted access to any information which it requires in the course of performing its duties;

3. ACCESS (CONT'D)

- (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 person(s) carrying out the internal audit function or activity;
- (vi) Be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company;
- (vii) Be able to invite outsiders with relevant experience to attend its meetings if necessary; and
- (viii) Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Board of Directors and employees of the Company, whenever deemed necessary.

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

4. MEETINGS

The ARC shall meet at least four (4) times a year and such additional meetings, as the Chairman shall decide in order to fulfil its duties. Upon the request of the external auditors or internal auditors (if any), the Chairman of the ARC 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 ARC 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 ARC meeting. The Secretary shall also be responsible for keeping the minutes of ARC and circulating them to committee members and to the other members of the Board of Directors.

In order to form a quorum for the meeting, the majority of members present must be independent directors. The Chief Financial Officer, the Head of Internal Audit and a representative of the external auditors shall normally attend meetings. Other Board members and employees may attend the ARC Meeting upon the invitation of the Committee. However, at least twice a year the ARC shall meet with the external auditors without executive Board members, management and employees present.

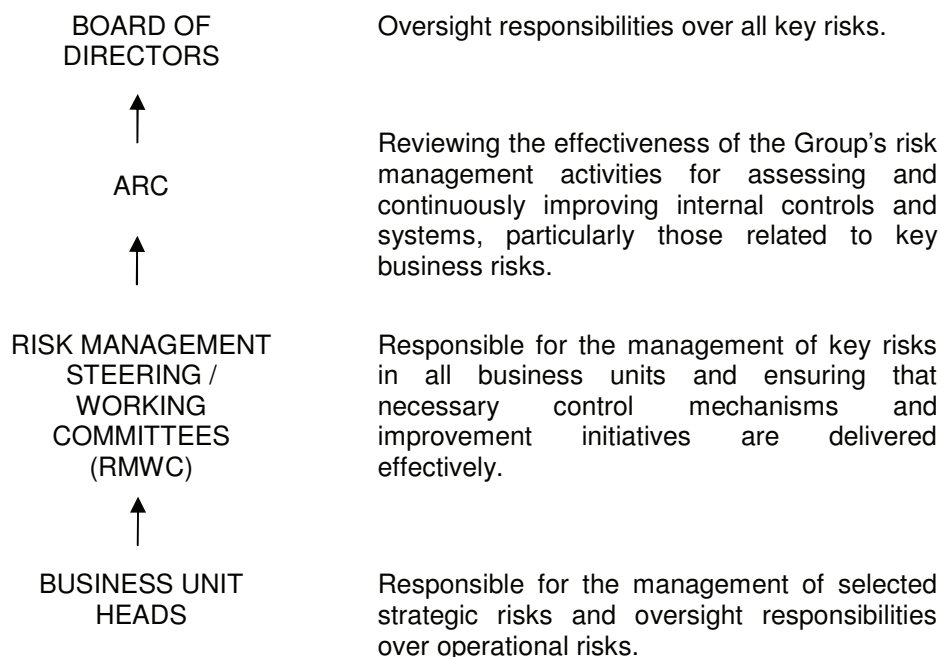
The Company must ensure that other directors and employees attend any particular ARC meeting only at the ARC's invitation, specific to the relevant meeting.

5. ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management Framework is adopted for the Group to have a common strategic and formal approach to risk management so as to improve decision making, enhance outcomes and accountability.

6. RISK MANAGEMENT REPORT

Structure and Roles:-



7. REPORTING PROCEDURES

The ARC shall assist the Board in preparing the following for publication in the Company's Annual Report, including details of relevant training attended by each Committee member:-

- (a) A summary of the activities of the ARC;
- (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.

On the risk management reporting process, the various RMWCs will perform a quarterly risk management process and thereafter present the risk management report to the ARC quarterly. The ARC will then present the risk management report to the Board on a quarterly basis.

SUMMARY OF ACTIVITIES

The ARC convened five (5) times during the financial year to review quarterly reports and annual financial statements prior to submission to the Board for consideration and approval, focusing particularly on significant acquisitions, unusual events, compliance with accounting standards and other legal requirements.

SUMMARY OF ACTIVITIES (CONT'D)

A summary of other activities undertaken by the Committee are as follows: -

- (a) Reviewed with the external auditors, the Group's audit plan for the year prior to the commencement of the annual audit;
- (b) Reviewed the financial statements, the audit report, and issues arising from the audits with the external auditors;
- (c) Reviewed the unaudited quarterly financial statements of the Company and recommended the same for approval to the Board, upon being satisfied that inter-alia the financial reporting and disclosure requirements of the relevant authorities have been complied with;
- (d) Met with the external auditors twice without Executive Board members and management present;
- (e) Reviewed the adequacy of the scope, function, competency and resources of the internal audit function;
- (f) Reviewed the internal control issues identified by the internal auditors as well as management's response to the recommendations and the implementation of agreed action plans;
- (g) Met with the internal auditors once without Executive Board members and management present;
- (h) Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions;
- (i) Reviewed reports and updates on key operational risks from the Group Enterprise Risk Management Committee; and
- (j) Reviewed the Group's risk exposure arising from its treasury management.

The ARC appointed the Chief Executive from PKF Advisory Sdn. Bhd., an independent firm of professionals, as the Head of Internal Audit in August 2008. Through discussions with management, the Head of Internal Audit is tasked to lead discussions and work sessions in identifying key risk areas and directing internal audit efforts towards those risk areas, and thereafter report directly to the ARC to preserve the independence of the internal audit function. The appointment of the Head of Internal Audit does not preclude the ARC, Board of Directors and Management from implementing board policies on risk and control. In fulfilling its responsibilities, the ARC, Board of Directors and management identifies and evaluates the risks faced by the Group, and design, operate and monitor a suitable system of internal control which implements the policies adopted by the Board of Directors.

All employees have responsibility for internal control as part of their accountability for achieving objectives. Employees as a whole should have the necessary knowledge, skills, information and authority to establish, operate and monitor the system of internal control. This will require an understanding of the business, the Group's objectives, the industries and markets which it operates in and the risks it faces.

The Head of Internal Audit will be responsible to review and appraise the effectiveness of the risk management, internal control and governance process within the Company. In addition, he will also be responsible to enhance the quality assurance and improvement programme of the internal audit function. The results will be officially presented to the ARC at least once a year.

ARC TRAINING

During the financial year under review, members of the ARC attended training programmes on various subject matters such as corporate governance, accounting standards, taxation, marketing, business strategy and other business related programmes to enable them to discharge their responsibilities as members of the ARC more effectively.

INTERNAL AUDIT FUNCTION

The Internal Audit function has been outsourced to an external professional firm of consultants. During the financial year, the consultants have executed internal audit reviews in accordance to the strategic internal audit plan on the following processes:-

- a) Best Practices of Corporate Governance Review;
- b) Procurement, Payment, Account Payables, Payroll, Cash and Bank Management of JobStreet.com Philippines, Inc.;
- c) Sales, Marketing and Corporate Care Management of JobStreet.com Pte. Ltd.; and
- d) Cash and Bank Balances, Debtors and Credit Control function, Procurement, Payables and Fixed Asset Management of PT JobStreet Indonesia.

The total fees incurred in supporting the Internal Audit Function for the financial year amounted to approximately RM48,000.00.

Further to the above, the ARC reviewed and deliberated on the internal audit reports prepared by the internal auditors during each quarter, including recommendations for corrective actions, management's response and actions taken to improve the Group's system of internal controls and operating procedures.

STATEMENT OF INTERNAL CONTROL

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

BOARD RESPONSIBILITIES

The Board recognizes 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.

However, there are limitations that are inherent in any system of internal control and that such systems are designed to manage and control risks appropriately rather than to eliminate them. Accordingly, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. Notwithstanding this, the Board requires that the procedures and controls in place are subject to regular review as part of an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

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

During the year, the Group monitored significant risks and risk mitigation strategies on an ongoing basis through its management and Board meetings. Under the purview of the Chief Executive Officer, the respective head of each operating subsidiary and department of the Group are empowered with the responsibility of managing their respective operations.

In addition, the Audit and Risk Committee constantly reviews and improves on the existing risk management framework for identifying, evaluating and managing significant risks faced by the Group. In view of a constantly evolving environment and competitive landscape, the Board is committed in maintaining a system of internal control that comprises the following control environment, key processes and monitoring systems:

- Audit and Risk 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 and internal auditors;
- A quarterly risk-mapping process together with on-going business process review that assists the management to continuously identify significant risks associated with key processes within a changing business and operating environment;
- 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 plans 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 REVIEW

The Audit and Risk Committee is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. In carrying out its responsibilities, the Committee relies on the support of an external professional firm of consultants appointed by the Committee, which carries out internal audits on various operating units within the Group on a quarterly basis. These audits review the internal controls in the key activities of the Group's business based on a 2-year detailed internal audit plan approved by the Audit and Risk Committee. Based on these audits, the Internal Auditors provide the Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES

The Group's system of internal controls does not cover associated companies and jointly-controlled entities.

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

There were no material losses or contingencies requiring disclosure in the annual report under review as a result from weaknesses in internal control.

This statement has been made in accordance with the resolution passed in the Board of Directors' meeting held on 16 April 2012.

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DIRECTORS' REPORT

for the year ended 31 December 2011

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of interactive marketing services and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	43,356,714	48,324,817
Non-controlling interests	2,107,755	-
	<hr/>	<hr/>
	45,464,469	48,324,817
	<hr/>	<hr/>

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company declared and paid:

- i) a fourth interim single tier dividend of 1.50 sen per share amounting to RM4,762,009 in respect of the financial year ended 31 December 2010 on 31 March 2011;
- ii) a first interim single tier dividend of 1.50 sen per share amounting to RM4,799,794 in respect of the financial year ended 31 December 2011 on 30 June 2011;
- iii) a final single tier dividend of 1.00 sen per share amounting RM3,199,863 in respect of the financial year ended 31 December 2010 on 15 July 2011;
- iv) a second interim single tier dividend of 1.50 sen per share amounting to RM4,801,288 in respect of the financial year ended 31 December 2011 on 30 September 2011;
- v) a third interim single tier dividend of 1.75 sen per share amounting to RM5,601,539 in respect of the financial year ended 31 December 2011 on 22 December 2011; and
- vi) a fourth interim single tier dividend of 1.75 sen per share amounting to RM5,610,771 in respect of the financial year ended 31 December 2011 which was declared on 21 February 2012 and paid on 30 March 2012. This dividend has not been accounted for in the financial statements.

The Directors recommend the payment of a final single tier dividend of 0.5 sen per share amounting to RM1,600,439 in respect of the financial year ended 31 December 2011. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2011, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Datuk Ali bin Abdul Kadir
 Tan Sri Dato' Dr. Lin See Yan
 Lim Chao Li
 Ng Kay Yip
 Chang Mun Kee
 Suresh A/L Thirugnanam
 Yang Chi-Kuan (appointed on 20 February 2012)

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests, if any, of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Shareholdings in which Directors have direct interests

The Company	Nominal value RM	Number of ordinary shares			
		At 1.1.2011	Acquired/ Options exercised	Disposed	At 31.12.2011
Datuk Ali bin Abdul Kadir	0.20	1,500,000	70,000	-	1,570,000
Tan Sri Dato' Dr. Lin See Yan	0.20	3,000,000	70,000	-	3,070,000
Lim Chao Li	0.20	24,283,065	-	-	24,283,065
Ng Kay Yip	0.20	26,023,310	-	-	26,023,310
Chang Mun Kee	0.20	29,050,377	2,250,000	-	31,300,377
Suresh A/L Thirugnanam	0.20	12,365,410	40,000	-	12,405,410

JobStreet.com Philippines Inc	Nominal value PHP	Number of ordinary shares			
		At 1.1.2011	Acquired	Disposed	At 31.12.2011
Chang Mun Kee	1.00	1*	-	-	1*

JobStreet.com Limited	Nominal value HKD	Number of ordinary shares			
		At 1.1.2011	Acquired	Disposed	At 31.12.2011
Chang Mun Kee	1.00	1*	-	-	1*

* Shares held in trust for JobStreet.com Pte Ltd

Shareholdings in which Directors have deemed interests

The Company	Nominal value RM	Number of ordinary shares			
		At 1.1.2011	Acquired	Disposed	At 31.12.2011
Datuk Ali bin Abdul Kadir	0.20	105,000	-	-	105,000
Chang Mun Kee	0.20	5,000,000	-	-	5,000,000

DIRECTORS' INTERESTS (CONT'D)

The Company	Number of options over ordinary shares of RM0.20 each			At 31.12.2011
	At 1.1.2011	Granted	Exercised	
Datuk Ali bin Abdul Kadir	350,000	-	(70,000)	280,000
Tan Sri Dato' Dr. Lin See Yan	350,000	-	(70,000)	280,000
Chang Mun Kee	3,250,000	-	(2,250,000)	1,000,000
Suresh A/L Thirugnanam	700,000	-	(40,000)	660,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor 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 or the fixed salary of a full time employee of the Company or of related companies) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 3,909,400 new ordinary shares of RM0.20 each for cash arising from the exercise of employee share options at a weighted average exercise price of approximately RM0.61 per ordinary share.

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employee Share Option Scheme.

Employee Share Option Scheme

At an Extraordinary General Meeting held on 5 October 2004, the Company's shareholders approved the establishment of an Employee Share Option Scheme ("ESOS") involving up to 10% of the issued share capital of the Company at any time during the existence of the ESOS, to the Directors and eligible employees of the Group.

The 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.

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)**Employee Share Option Scheme (cont'd)**

- iii) The options granted may be exercised at such year that may be stipulated by the option committee within the duration of the scheme upon giving notice in writing.
- iv) The scheme shall be in force for a duration of five (5) years from the effective date of the implementation of the scheme.
- v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.

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

On 23 November 2009, the Board of Directors of the Company had resolved to extend the duration of the scheme for another 5 years to 29 November 2014.

At an Extraordinary General Meeting held on 6 January 2010, the Company's shareholders approved the proposed amendments to the Bye-Laws of the ESOS to allow Directors of the Company to allot and issue new ordinary shares of RM0.20 each in the Company of up to 15% of the total issued and paid-up capital of the Company (excluding treasury shares) at any one time pursuant to the exercise of additional options.

The options offered to take up unissued ordinary shares of RM0.20 each and the option prices are as follows:

Number of options over ordinary shares of RM0.20 each ('000)

Date of offer	Option price	Balance at 1.1.2011	Granted	Exercised	Lapsed	Balance at 31.12.2011
29.11.2004	RM0.36	4,409	-	(2,851)	-	1,558
23.02.2006	RM0.90	280	-	(25)	-	255
28.03.2007	RM1.08	337	-	(122)	(15)	200
20.05.2008	RM1.53	373	-	(87)	-	286
11.01.2010	RM1.31	12,421	-	(824)	(620)	10,977
		17,820	-	(3,909)	(635)	13,276

SHARE BUY-BACK

On 22 June 2011, the shareholders of the Company renewed their approval for the Company to buy-back its own shares. During the financial year, the Company bought back from the open market, 30,800 of its issued ordinary shares of RM0.20 each ("JobStreet Shares") listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM2.67 per ordinary share. The total consideration paid for the share buy-back of JobStreet Shares by the Company during the financial year was RM82,172 and was financed by internally generated funds. The JobStreet Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965.

On 30 December 2011, the Company cancelled 2,221,500 treasury shares held pursuant to Section 67A Subsection 3(A)(a) of the Companies Act 1965. Consequently, the Company's issued and paid up capital decreased by RM444,300.

As at 31 December 2011, there were no treasury shares held.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and statements of financial position 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2011 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT (CONT'D)

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

CHANG MUN KEE

LIM CHAO LI

Kuala Lumpur,

Date: 16 April 2012

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Assets					
Property and equipment	3	15,598,472	14,332,248	451,060	470,069
Intangible assets	4	2,648,047	2,648,047	-	-
Investments in subsidiaries	5	-	-	20,288,031	19,807,863
Investments in associates and a jointly-controlled entity	6	82,190,319	81,116,506	82,960,752	80,948,812
Other investments	7	25,754,378	27,427,911	25,754,378	27,427,911
Deferred tax assets	8	3,496,081	3,036,088	-	-
Total non-current assets		129,687,297	128,560,800	129,454,221	128,654,655
Other investments	7	25,679,361	12,027,783	4,611,138	2,280,138
Tax recoverable		28,645	6,710	4,645	6,710
Trade and other receivables	9	15,293,921	13,090,450	23,182,613	20,251,398
Prepayments and other assets		1,482,512	1,114,662	3,373	4,366
Cash and cash equivalents	10	65,647,602	50,180,499	9,570,032	2,142,933
Total current assets		108,132,041	76,420,104	37,371,801	24,685,545
Total assets		237,819,338	204,980,904	166,826,022	153,340,200
Equity					
Share capital		64,017,580	63,680,000	64,017,580	63,680,000
Reserves		123,033,382	103,481,542	101,225,017	75,566,233
Total equity attributable to owners of the Company	11	187,050,962	167,161,542	165,242,597	139,246,233
Non-controlling interests		1,459,148	1,149,892	-	-
Total equity		188,510,110	168,311,434	165,242,597	139,246,233
Liabilities					
Loan and borrowing	12	227,175	368,843	-	-
Deferred tax liabilities	8	37,480	6,056	-	-
Total non-current liabilities		264,655	374,899	-	-
Loan and borrowing	12	169,891	157,815	-	-
Deferred income	13	32,040,509	24,465,214	54,132	5,000
Trade and other payables	14	14,651,662	8,829,296	1,529,293	14,088,967
Taxation		2,182,511	2,842,246	-	-
Total current liabilities		49,044,573	36,294,571	1,583,425	14,093,967
Total liabilities		49,309,228	36,669,470	1,583,425	14,093,967
Total equity and liabilities		237,819,338	204,980,904	166,826,022	153,340,200

The notes on pages 45 to 98 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Revenue	16	139,857,350	117,107,133	50,450,963	31,682,404
Other operating income	17	1,405,689	1,391,863	112,599	180,020
Advertising expenses		(5,086,145)	(3,419,301)	(53,000)	-
Contract and outsourcing cost		(15,983,877)	(13,190,560)	-	-
Depreciation of property and equipment		(1,742,895)	(1,413,416)	(19,009)	(16,197)
Rental of office and equipment		(1,928,151)	(1,500,295)	(5,568)	(11,637)
Staff costs	19	(45,111,074)	(36,313,235)	(269,901)	(229,681)
Telecommunication expenses		(1,319,963)	(1,070,652)	(3,079)	(4,188)
Travelling expenses		(1,031,323)	(635,468)	(342)	(440)
Other operating expenses	17	(14,580,002)	(10,513,313)	(1,460,208)	(1,213,113)
Results from operating activities		54,479,609	50,442,756	48,752,455	30,387,168
Interest income		1,374,439	1,007,657	61,315	147,913
Impairment loss on intangibles		-	(330,000)	-	-
Finance costs		(10,941)	(14,333)	-	-
(Loss)/ Gain on financial assets classified as fair value through profit or loss		(1,075,071)	185,662	131,000	104,662
Share of profit of equity accounted associates and a jointly-controlled entity, net of tax		5,052,819	3,864,495	-	-
Profit before tax		59,820,855	55,156,237	48,944,770	30,639,743
Income tax expense	20	(14,356,386)	(12,018,589)	(619,953)	(417,559)
Profit for the year		45,464,469	43,137,648	48,324,817	30,222,184

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

	Note	Group 2011 RM	2010 RM	Company 2011 RM	2010 RM
Profit for the year		45,464,469	43,137,648	48,324,817	30,222,184
Other comprehensive (expense)/ income, net of tax					
Foreign currency translation differences for foreign operations		(1,120,529)	(769,134)	-	-
Fair value of available-for-sale financial assets		(2,061,000)	6,203,000	(2,061,000)	6,203,000
Total other comprehensive (expense)/ income for the year, net of tax		(3,181,529)	5,433,866	(2,061,000)	6,203,000
Total comprehensive income for the year		42,282,940	48,571,514	46,263,817	36,425,184
Profit attributable to:					
Owners of the Company		43,356,714	40,980,718	48,324,817	30,222,184
Non-controlling interests		2,107,755	2,156,930	-	-
Profit for the year		45,464,469	43,137,648	48,324,817	30,222,184
Basic earnings per ordinary share based on profit attributable to owners of the Company (sen)	21	13.61	13.01		
Diluted earnings per ordinary share based on profit attributable to owners of the Company (sen)	21	13.30	12.65		
Total comprehensive income attributable to:					
Owners of the Company		40,052,459	46,531,200	46,263,817	36,425,184
Non-controlling interests		2,230,481	2,040,314	-	-
Total comprehensive income for the year		42,282,940	48,571,514	46,263,817	36,425,184

The notes on pages 45 to 98 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2011

Group	Note	Attributable to owners of the Company										Total equity RM	
		Share capital RM	Share premium RM	Capital reserve RM	Capital redemption reserve RM	Translation reserve RM	Fair value reserve RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total RM		Non-controlling interests RM
At 1 January 2010		62,988,580	2,720,797	-	-	1,212,440	5,951,000	918,765	(2,625,580)	61,977,511	133,143,513	3,057,548	136,201,061
Foreign currency translation differences for foreign operations		-	-	-	-	(652,518)	-	-	-	-	(652,518)	(116,616)	(769,134)
Fair value of available-for-sale financial assets		-	-	-	-	-	6,203,000	-	-	-	6,203,000	-	6,203,000
Total other comprehensive income for the year		-	-	-	-	(652,518)	6,203,000	-	-	-	5,550,482	(116,616)	5,433,866
Profit for the year		-	-	-	-	-	-	-	40,980,718	40,980,718	40,980,718	2,156,930	43,137,648
Total comprehensive income for the year		-	-	-	-	(652,518)	6,203,000	-	40,980,718	40,980,718	46,531,200	2,040,314	48,571,514
Share options exercised	11	691,420	2,877,314	215,728	-	-	-	-	-	-	3,784,462	-	3,784,462
Transfer to share premium for share options exercised		-	629,553	-	-	-	-	(629,553)	-	-	-	-	-
Transfer to retained earnings for share options lapsed		-	-	-	-	-	-	(35,862)	-	35,862	-	-	-
Treasury shares acquired	11	-	-	-	-	-	-	-	(4,910)	-	(4,910)	-	(4,910)
Share-based payments	15	-	-	-	-	-	1,068,197	-	-	-	1,068,197	-	1,068,197
Dividends	22	-	-	-	-	-	-	-	(17,360,920)	(17,360,920)	(3,947,970)	(21,308,890)	
At 31 December 2010/1 January 2011		63,680,000	6,227,664	215,728	-	559,922	12,154,000	1,321,547	(2,630,490)	85,633,171	167,161,542	1,149,892	168,311,434

Note 11

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STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Note	Attributable to owners of the Company										Total equity RM	
		Share capital RM	Share premium RM	Capital reserve RM	Capital redemption reserve RM	Translation reserve RM	Fair value reserve RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total RM		Non-controlling interests RM
At 31 December 2010/1 January 2011		63,680,000	6,227,664	215,728	-	559,922	12,154,000	1,321,547	(2,630,490)	85,633,171	167,161,542	1,149,892	168,311,434
Foreign currency translation differences for foreign operations		-	-	-	-	(1,243,255)	-	-	-	-	(1,243,255)	122,726	(1,120,529)
Fair value of available-for-sale financial assets		-	-	-	-	(2,061,000)	-	-	-	-	(2,061,000)	-	(2,061,000)
Total other comprehensive income for the year		-	-	-	-	(1,243,255)	(2,061,000)	-	-	-	(3,304,255)	122,726	(3,181,529)
Profit for the year		-	-	-	-	-	-	-	-	43,356,714	43,356,714	2,107,755	45,464,469
Total comprehensive income for the year		-	-	-	-	(1,243,255)	(2,061,000)	-	-	43,356,714	40,052,459	2,230,481	42,282,940
Share options exercised	11	781,880	1,611,831	104,414	-	-	-	-	-	-	2,498,125	-	2,498,125
Transfer to share premium for share options exercised		-	167,036	-	-	-	-	(167,036)	-	-	-	-	-
Transfer to retained earnings for share options lapsed		-	-	-	-	-	-	(25,049)	-	25,049	-	-	-
Cancellation of treasury shares	11	(444,300)	(2,712,662)	-	444,300	-	-	-	2,712,662	-	-	-	-
Treasury shares acquired	11	-	-	-	-	-	-	-	(82,172)	-	(82,172)	-	(82,172)
Share-based payments	15	-	-	-	-	-	-	585,501	-	-	585,501	-	585,501
Dividends	22	-	-	-	-	-	-	-	(23,164,493)	(23,164,493)	(1,921,225)	(25,085,718)	
At 31 December 2011		64,017,580	5,293,869	320,142	444,300	(683,333)	10,093,000	1,714,963	-	105,850,441	187,050,962	1,459,148	188,510,110

Note 11 Note 11 Note 11 Note 11 Note 11 Note 11 Note 11 Note 11 Note 11 Note 11 Note 11 Note 11

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Note	Attributable to owners of the Company ----->									
		Share capital RM	Share premium RM	Share redemption reserve RM	Capital reserve RM	Fair value reserve RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM	Distributable
At 1 January 2010											
Fair value of available-for-sale financial assets		62,988,580	2,720,797	-	5,951,000	918,765	(2,625,580)	45,596,386	115,549,948		
Profit for the year		-	-	-	6,203,000	-	-	-	6,203,000		
Total comprehensive income for the year		-	-	-	6,203,000	-	-	30,222,184	30,222,184		
Shares options exercised	11	691,420	2,877,314	-	-	-	-	-	-	3,568,734	
Transfer to share premium for share options exercised		-	629,553	-	-	(629,553)	-	-	-	-	
Transfer to retained earnings for share options lapsed		-	-	-	-	(35,862)	-	35,862	-	-	
Treasury shares acquired	11	-	-	-	-	-	(4,910)	-	(4,910)		
Share-based payments	15	-	-	-	-	1,068,197	-	-	1,068,197		
Dividends	22	-	-	-	-	-	-	(17,360,920)	(17,360,920)		
At 31 December 2010/1 January 2011											
Fair value of available-for-sale financial assets		63,680,000	6,227,664	-	12,154,000	1,321,547	(2,630,490)	58,493,512	139,246,233		
Profit for the year		-	-	-	(2,061,000)	-	-	-	(2,061,000)		
Total comprehensive income for the year		-	-	-	(2,061,000)	-	-	48,324,817	48,324,817		
Shares options exercised	11	781,880	1,611,831	-	-	-	-	-	2,393,711		
Transfer to share premium for share options exercised		-	167,036	-	-	(167,036)	-	-	-		
Transfer to retained earnings for share options lapsed		-	-	-	-	(25,049)	-	25,049	-		
Cancellation of treasury shares	11	(444,300)	(2,712,662)	444,300	-	-	2,712,662	-	-		
Treasury shares acquired	11	-	-	-	-	-	(82,172)	-	(82,172)		
Share-based payments	15	-	-	-	-	585,501	-	-	585,501		
Dividends	22	-	-	-	-	-	-	(23,164,493)	(23,164,493)		
At 31 December 2011											
		64,017,580	5,293,869	444,300	10,093,000	1,714,963	-	83,678,885	165,242,597		
		Note 11		Note 11	Note 11	Note 11	Note 11	Note 11	Note 11	Note 11	

The notes on pages 45 to 98 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Cash flows from operating activities					
Profit before tax		59,820,855	55,156,237	48,944,770	30,639,743
Adjustments for:					
Depreciation of property and equipment	3	1,742,895	1,413,416	19,009	16,197
Property and equipment written off	3	20,132	5	-	-
(Gain)/Loss on disposal of property and equipment		(3,038)	20,015	-	-
Share-based payments	19	585,501	1,068,197	105,332	120,293
Share of profit after tax and minority interest of equity accounted associates and a jointly-controlled entity		(5,052,819)	(3,864,495)	-	-
Dividend income	16	(1,628,798)	(1,032,312)	(49,212,649)	(30,385,260)
Negative goodwill on acquisition of a subsidiary		-	(564,928)	-	-
Interest income		(1,374,439)	(1,007,657)	(61,315)	(147,913)
Finance costs		10,941	14,333	-	-
Investment distribution income		(380,383)	(232,148)	(81,157)	(52,408)
Impairment loss on intangible assets	4	-	330,000	-	-
Loss/(Gain) on financial assets classified as fair value through profit or loss		1,075,071	(185,662)	(131,000)	(104,662)
Unrealised foreign exchange (gain)/loss		(137,703)	187,065	(981)	2,390
Operating profit/(loss) before working capital changes		54,678,215	51,302,066	(417,991)	88,380
Changes in trade and other receivables		(2,106,635)	(2,757,700)	(16,629)	567,398
Changes in prepayments and other assets		(370,120)	(15,974)	993	70,739
Changes in deferred income		7,309,278	6,279,945	49,132	(68,917)
Changes in trade and other payables		4,688,175	19,148	(12,559,674)	(14,772,640)
Cash generated from/(used in) operations		64,198,913	54,827,485	(12,944,169)	(14,115,040)
Income tax paid		(15,655,652)	(12,813,809)	(617,885)	(422,768)
Interest received		1,374,439	1,007,657	61,315	147,913
Finance costs		(10,941)	(14,333)	-	-
Net cash generated from/(used in) operating activities		49,906,759	43,007,000	(13,500,739)	(14,389,895)

STATEMENTS OF CASH FLOWS (CONT)

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	29	-	1,490,026	-	-
Investment distribution income received		380,383	232,148	81,157	52,408
Increase in investments in an associate		(2,011,940)	(11,740,811)	(2,011,940)	(11,740,811)
Acquisition of other investments		(15,101,833)	(17,424,202)	(2,587,467)	(13,885,067)
Acquisition of property and equipment	3	(3,062,113)	(2,267,425)	-	(112,493)
Acquisition of treasury shares		(82,172)	(4,910)	(82,172)	(4,910)
Proceeds from disposal of property and equipment		3,058	9,232	-	-
Dividends received from a subsidiary		-	-	39,957,535	35,265,289
Dividends received from an associate		4,712,709	3,072,978	4,712,709	3,072,978
Dividends received from other investments		1,628,798	1,032,312	1,628,798	1,032,312
Net cash (used in)/from investing activities		(13,533,110)	(25,600,652)	41,698,620	13,679,706
Cash flows from financing activities					
Dividends paid to shareholders of the Company	22	(23,164,493)	(17,360,920)	(23,164,493)	(17,360,920)
Dividends paid to non-controlling interests	(i)	(902,448)	(3,035,133)	-	-
Proceeds from issuance of shares pursuant to ESOS		2,393,711	3,568,734	2,393,711	3,568,734
Repayment of borrowings		(169,891)	(157,816)	-	-
Net cash used in financing activities		(21,843,121)	(16,985,135)	(20,770,782)	(13,792,186)
Net increase/(decrease) in cash and cash equivalents		14,530,528	421,213	7,427,099	(14,502,375)
Cash and cash equivalents at beginning of the year		50,180,499	50,640,907	2,142,933	16,645,308
Effects of exchange rate fluctuations on cash held		936,575	(881,621)	-	-
Cash and cash equivalents at end of year		65,647,602	50,180,499	9,570,032	2,142,933

STATEMENTS OF CASH FLOWS (CONT)

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Deposits with licensed banks		54,406,721	38,862,244	7,945,178	543,767
Cash and bank balances		11,240,881	11,318,255	1,624,854	1,599,166
	10	<u>65,647,602</u>	<u>50,180,499</u>	<u>9,570,032</u>	<u>2,142,933</u>

- i) Dividends declared by a subsidiary, JobStreet.com Philippines, Inc. to its non-controlling interests are as follows:

	2011 RM	2010 RM
Dividend - 2009	-	2,065,467
Dividend - 2010	-	1,882,503
Dividend - 2011	1,921,225	-
	<u>1,921,225</u>	<u>3,947,970</u>

The subsidiary has paid RM902,448 in relation to dividends declared for the financial year ended 31 December 2010 (2010: RM3,035,133) during the year under review.

The notes on pages 45 to 98 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JobStreet Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

REGISTERED OFFICE

Lot 6.05, Level 6
KPMG Tower, 8 First Avenue
Bandar Utama
47800, Petaling Jaya
Selangor Darul Ehsan

PRINCIPAL PLACE OF BUSINESS

Wisma JobStreet.com
No. 27, Lorong Medan Tuanku 1
(Off Jalan Sultan Ismail)
50300 Kuala Lumpur

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates and a jointly-controlled entity. The financial statements of the Company as at and for the year ended 31 December 2011 do not include other entities.

The Company is principally engaged in the provision of interactive marketing services and investment holding while the principal activities of the other Group entities are as stated in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 16 April 2012.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures*

The Group and the Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information, including the group financial accounts, are presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 4 – measurement of the recoverable amounts of cash-generating units.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investment includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group had changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group had applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy had been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Accounting for business combinations (cont'd)

Acquisitions on or after 1 January 2011 (cont'd)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debts or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and / or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

The Group applied FRS 127, Consolidated and Separate Financial Statements (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that the control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investments includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investments includes transaction costs.

(vi) Jointly-controlled entities

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Joint ventures are accounted for in the consolidated financial statements using the equity method less any impairment losses. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted joint ventures, after adjustments, if any, to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(vi) Jointly-controlled entities (cont'd)

When the Group's share of losses exceeds its interest in an equity accounted joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

Investments in joint ventures are stated in the Company's statement of financial position at cost less any impairment losses.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statement* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceeded their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive income.

(ii) *Operations denominated in functional currencies other than Ringgit Malaysia*

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

(c) Available-for-sale financial assets (cont'd)

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(h)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(iv) *Regular way purchase or sale of financial assets*

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) *Derecognition*

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(d) Property and equipment

(i) *Recognition and measurement*

Items of property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties has each acted knowledgeably, prudently and without compulsion. The fair value of other items of equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property and equipment (cont'd)

(i) Recognition and measurement (cont'd)

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within “other operating income” or “other operating expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Building	50 years
Computers	3 – 4 years
Furniture and fittings	5 – 10 years
Office equipment	3 – 5 years
Motor vehicles	10 years
Leasehold improvements	4 – 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the Group's or the Company's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(ii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less.

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investments in associates and a jointly-controlled entity) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(i) Financial assets (cont'd)

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(ii) *Other assets (cont'd)*

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or the group of cash-generating units and then to reduce the carrying amount of the other assets in the cash-generating unit (or a group of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

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. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) *Issue expenses*

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(ii) *Repurchase, disposal and reissue of share capital*

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses and paid annual leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee stock options is measured using a trinomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(k) Revenue and other income

(i) Services rendered

Revenue is recognised in profit or loss 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) Dividend and investment distribution income

Dividend and investment distribution income are recognised when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Revenue and other income (cont'd)

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(l) Government grant

Government grant is recognised initially as deferred income at fair value when there is reasonable assurance that it will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(n) Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and asset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. PROPERTY AND EQUIPMENT

Group	Note	Freehold land RM	Building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Leasehold improvements RM	Total RM
Cost									
At 1 January 2010		6,176,401	4,505,601	6,225,665	2,484,429	1,235,650	109,020	496,085	21,232,851
Additions		-	-	1,352,781	583,147	279,896	-	51,601	2,267,425
Disposals		-	-	(172,433)	(70,561)	(69,430)	-	(34,321)	(346,745)
Written off		-	-	(29,804)	-	-	-	(9,553)	(39,357)
Acquisition of a subsidiary	29	-	-	281,796	60,322	89,316	-	10,095	441,529
Exchange difference		-	-	(43,053)	(16,734)	(49,696)	(3,883)	(24,641)	(138,007)
At 31 December 2010/1 January 2011		6,176,401	4,505,601	7,614,952	3,040,603	1,485,736	105,137	489,266	23,417,696
Additions		-	-	1,823,345	312,675	481,034	47,593	397,466	3,062,113
Disposals		-	-	(128,588)	-	(984)	-	-	(129,572)
Written off		-	-	(356,713)	(52,640)	-	-	(66,366)	(475,719)
Exchange difference		-	-	(49,166)	(2,529)	11,904	3,207	766	(35,818)
At 31 December 2011		6,176,401	4,505,601	8,903,830	3,298,109	1,977,690	155,937	821,132	25,838,700

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY AND EQUIPMENT (CONT'D)

Group	Note	Freehold land RM	Building RM	Computers and fittings RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Leasehold improvements RM	Total RM
Depreciation									
At 1 January 2010		-	329,909	5,168,259	1,113,998	923,459	61,999	117,474	7,715,098
Depreciation for the year		-	90,112	764,990	283,571	202,188	21,316	51,239	1,413,416
Disposals		-	-	(169,645)	(62,215)	(69,430)	-	(16,216)	(317,506)
Written off		-	-	(29,799)	-	-	-	(9,553)	(39,352)
Acquisition of a subsidiary	29	-	-	251,147	54,649	87,490	-	10,095	403,381
Exchange difference		-	-	(33,654)	(9,438)	(38,438)	(2,210)	(5,849)	(89,589)
At 31 December 2010/1 January 2011		-	420,021	5,951,298	1,380,565	1,105,269	81,105	147,190	9,085,448
Depreciation for the year		-	90,112	986,983	333,546	223,746	16,873	91,635	1,742,895
Disposals		-	-	(128,568)	-	(984)	-	-	(129,552)
Written off		-	-	(356,669)	(41,344)	-	-	(57,574)	(455,587)
Exchange difference		-	-	(17,595)	(3,272)	12,305	1,460	4,126	(2,976)
At 31 December 2011		-	510,133	6,435,449	1,669,495	1,340,336	99,438	185,377	10,240,228
Carrying amounts									
At 1 January 2010		6,176,401	4,175,692	1,057,406	1,370,431	312,191	47,021	378,611	13,517,753
At 31 December 2010/1 January 2011		6,176,401	4,085,580	1,663,654	1,660,038	380,467	24,032	342,076	14,332,248
At 31 December 2011		6,176,401	3,995,468	2,468,381	1,628,614	637,354	56,499	635,755	15,598,472

3. PROPERTY AND EQUIPMENT (CONT'D)

Company	Building RM	Furniture and fittings RM	Total RM
Cost			
At 1 January 2010	388,000	-	388,000
Additions	-	112,493	112,493
<hr/>			
At 31 December 2010/1 January 2011/ 31 December 2011	388,000	112,493	500,493
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Depreciation			
At 1 January 2010	14,227	-	14,227
Depreciation for the year	7,760	8,437	16,197
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At 31 December 2010/1 January 2011	21,987	8,437	30,424
Depreciation for the year	7,760	11,249	19,009
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At 31 December 2011	29,747	19,686	49,433
<hr/>			
Carrying amounts			
At 1 January 2010	373,773	-	373,773
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At 31 December 2010	366,013	104,056	470,069
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At 31 December 2011	358,253	92,807	451,060
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4. INTANGIBLE ASSETS

Group	Goodwill RM	Intellectual property RM	Total RM
Cost			
At 1 January 2010/ 31 December 2010/ 1 January 2011/ 31 December 2011	2,808,413	330,000	3,138,413
<hr/>			
Impairment loss			
At 1 January 2010	160,366	-	160,366
Impairment for the year	-	330,000	330,000
<hr/>			
At 31 December 2010/1 January 2011 31 December 2011	160,366	330,000	490,366
<hr/>			
Carrying amounts			
At 1 January 2010	2,648,047	330,000	2,978,047
<hr/>			
At 31 December 2010/ 1 January 2011/ 31 December 2011	2,648,047	-	2,648,047
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4. INTANGIBLE ASSETS (CONT'D)

(i) Intellectual property

The intellectual property was in respect of domain name rights to a website used in the principal business of a subsidiary. In 2010, due to continued losses recorded by the subsidiary, the intellectual property was tested for impairment. In determining the carrying value of the intellectual property, the recoverable amount of a cash-generating unit ("CGU") was based on value-in-use calculations using cash flow projections prepared by management discounted using the subsidiary's weighted average cost of capital of approximately 4%. The recoverable amount was estimated to be lower than the carrying amount of the unit, and consequently the intellectual property was impaired in 2010.

(ii) Impairment testing for cash-generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's geographical segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each geographical segment are as follows:

	Group	
	2011	2010
	RM'000	RM'000
Malaysia	1,867	1,867
Singapore	598	598
Philippines	183	183
	2,648	2,648

The recoverable amount of each CGU has been determined based on its value-in-use. The value-in-use calculations were determined by discounting future cash flows generated from the CGUs and were based on the following key assumptions:

- The discount rate used is based on the Company's weighted average cost of capital of approximately 4.05%.
- Cash flow projections are based on five-year financial projections prepared by management. Cash flows beyond the fifth year are projected based on a terminal value approach.

The values assigned to the key assumption represent management's assessment of future trends in the Company's and the CGU's principal activities and are based on internal sources (historical data).

Impairment is recognised in the profit or loss when the carrying amount of a CGU exceeds its recoverable amount.

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

5. INVESTMENTS IN SUBSIDIARIES

	Note	Company	
		2011 RM	2010 RM
At cost:			
At 1 January		20,020,115	20,020,115
Addition	a	480,168	-
Less: Accumulated impairment losses		(212,252)	(212,252)
		<u>20,288,031</u>	<u>19,807,863</u>

Note a

The amount relates to share-based payment vested during the year which was subsequently capitalised as an increase in the investments in subsidiaries.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2011 %	2010 %
JobStreet.com Pte. Ltd. * and its subsidiaries:	Singapore	Online recruitment and human resource management services	100	100
JobStreet.com Sdn. Bhd.	Malaysia	Online recruitment and human resource management services	100	100
JobStreet.com Philippines Inc*	Philippines	Online recruitment and human resource management services	60	60
Jobstreet.com Limited ***	Hong Kong	Dormant	100	100
Enerpro Pte. Ltd. **	Singapore	Employment agencies and consultancy services	100	100
JobStreet.com India Pvt. Ltd. **	India	Online recruitment and human resource management services	100	100
JobStreet.com Shared Services Sdn. Bhd.	Malaysia	General management and technical support services, research and development activities and human resource support	100	-

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2011 %	2010 %
PT JobStreet Indonesia **	Indonesia	Online recruitment and human resource management services	60	60
JS Overseas Holdings Limited ***	British Virgin Islands	Dormant	100	100
JobStreet Asean Business Consulting Kabushiki Kaisha ***	Japan	Search and selection, staffing and career consultancy	60	60
Autoworld.com.my Sdn. Bhd.	Malaysia	Automobile online advertising services	100	100
Agensi Pekerjaan JS Staffing Services Sdn. Bhd.	Malaysia	Staffing, business process outsourcing and consultancy services	100	100

* Audited by other member firms of KPMG

** Audited by firms of auditors other than KPMG

*** Consolidated using management accounts as there is no legal requirement for the entity to be audited

On 13 June 2011, JobStreet.com Pte. Ltd. ("JPL"), a wholly-owned subsidiary company of JobStreet Corporation Berhad ("JCB") had incorporated a wholly-owned subsidiary known as JobStreet.com Shared Services Sdn. Bhd. ("JSS"). JSS has an authorised share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each.

6. INVESTMENTS IN ASSOCIATES AND A JOINTLY-CONTROLLED ENTITY

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At cost:				
Quoted shares	83,744,287	83,744,287	83,744,287	83,744,287
Unquoted shares	3,316,465	1,304,525	3,316,465	1,304,525
Impairment loss on quoted shares	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)
Share of post-acquisition reserves	476,003	135,893	-	-
Post acquisition foreign exchange translation reserve	(1,566,578)	(183,927)	-	-
Post acquisition capital reserve	320,142	215,728	-	-
	<u>82,190,319</u>	<u>81,116,506</u>	<u>82,960,752</u>	<u>80,948,812</u>

Summary financial information on associates and a jointly-controlled entity:

Group and Company

	Country of incorporation	Effective ownership interest %	Revenue (100%) RM	Profit/ (Loss) (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
2011						
Innity Corporation Berhad	Malaysia	23	34,301,328	2,418,616	26,860,193	10,384,625
JobStreet Recruitment (Thailand) Co., Ltd	Thailand	49	29,368	(1,649,959)	2,943,785	280,214
104 Corporation	Taiwan	22	243,576,371	23,685,759	193,984,283	64,372,100
2010						
Innity Corporation Berhad	Malaysia	23	22,947,665	207,809	20,927,799	6,594,893
JobStreet (Thailand) Co., Ltd	Thailand	49	16,631	(1,113,921)	704,854	201,809
104 Corporation	Taiwan	22	241,868,907	27,753,034	189,147,829	60,770,401

7. OTHER INVESTMENTS

	Group RM	Company RM
2011		
Non-current		
Available-for-sale financial assets		
- Overseas (Quoted shares)	25,754,378	25,754,378
	<hr/>	<hr/>
Current		
Financial assets at fair value through profit or loss – held for trading		
- Malaysia (Quoted shares)	15,681,556	4,611,138
- Overseas (Quoted shares)	9,997,805	-
	<hr/>	<hr/>
	25,679,361	4,611,138
	<hr/>	<hr/>
	51,433,739	30,365,516
	<hr/>	<hr/>
Representing items:		
At fair value	51,433,739	30,365,516
	<hr/>	<hr/>
Market value of quoted investments	51,433,739	30,365,516
	<hr/>	<hr/>
2010		
Non-current		
Available-for-sale financial assets		
- Overseas (Quoted shares)	27,427,911	27,427,911
	<hr/>	<hr/>
Current		
Financial assets at fair value through profit or loss – held for trading		
- Malaysia (Quoted shares)	11,820,770	2,280,138
- Overseas (Quoted shares)	207,013	-
	<hr/>	<hr/>
	12,027,783	2,280,138
	<hr/>	<hr/>
	39,455,694	29,708,049
	<hr/>	<hr/>
Representing items:		
At fair value	39,455,694	29,708,049
	<hr/>	<hr/>
Market value of quoted investments	39,455,694	29,708,049
	<hr/>	<hr/>

8. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM
Property and equipment	-	-	(966,805)	(370,385)	(966,805)	(370,385)
Provisions	515,656	165,167	-	-	515,656	165,167
Deferred income	3,909,750	3,235,250	-	-	3,909,750	3,235,250
Tax assets/ (liabilities)	4,425,406	3,400,417	(966,805)	(370,385)	3,458,601	3,030,032
Set off of tax	(929,325)	(364,329)	929,325	364,329	-	-
Net tax assets/ (liabilities)	3,496,081	3,036,088	(37,480)	(6,056)	3,458,601	3,030,032

Unrecognised net deferred tax assets

Net deferred tax assets have not been recognised on the following items as it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2011 RM	2010 RM
Deductible temporary differences	1,822,108	97,000
Tax losses carry-forward	1,880,316	2,390,557
Unabsorbed capital allowances	149,619	103,936
	3,852,043	2,591,493

The tax losses carry forward and unabsorbed capital allowances do not expire under current tax legislation.

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Trade					
Trade receivables		13,029,774	10,675,170	504,262	450,467
Non-trade					
Amount due from subsidiaries	a	-	-	607,614	670,920
Other receivables		2,264,147	2,415,280	73,130	46,011
Dividend receivable		2,264,147	2,415,280	680,744	716,931
		-	-	21,997,607	19,084,000
		2,264,147	2,415,280	22,678,351	19,800,931
		15,293,921	13,090,450	23,182,613	20,251,398

9. TRADE AND OTHER RECEIVABLES (CONT'D)

Note a

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deposits with licensed banks	54,406,721	38,862,244	7,945,178	543,767
Cash and bank balances	11,240,881	11,318,255	1,624,854	1,599,166
	<u>65,647,602</u>	<u>50,180,499</u>	<u>9,570,032</u>	<u>2,142,933</u>

11. CAPITAL AND RESERVES

Share capital

	Note	Group and Company		Number of shares 2010
		Amount 2011 RM	Number of shares 2011	
Authorised:				
Ordinary shares of RM0.20 each		100,000,000	500,000,000	100,000,000
Issued and fully paid:				
Ordinary shares of RM0.20 each				
At 1 January		63,680,000	318,400,000	62,988,580
Issue of shares under employee share option scheme	a	781,880	3,909,400	691,420
Cancellation of treasury shares		(444,300)	(2,221,500)	-
At 31 December		<u>64,017,580</u>	<u>320,087,900</u>	<u>63,680,000</u>

Note a

During the financial year, 3,909,400 (2010: 3,457,100) new ordinary shares of RM0.20 each were issued for cash arising from the exercise of employee share options at a weighted average exercise price of approximately RM0.61 (2010: RM1.03) per ordinary share.

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company and rank equally with regard to the Company's residual assets only to the extent of the par value of the shares. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

11. CAPITAL AND RESERVES (CONT'D)

Capital reserve

The capital reserve comprises the non distributable share premium of the associated company.

Capital redemption reserve

The capital redemption reserve arises from the cancellation of treasury shares in accordance with Section 67A of the Companies Act 1965.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Treasury shares

The balance relates to the acquisition cost of treasury shares.

During the financial year, the Company purchased from the open market, 30,800 (2010: 2,000) of its issued ordinary shares of RM0.20 each ("JobStreet Shares") listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM2.67 per ordinary share. The total consideration paid for the share buy-back of JobStreet Shares by the Company during the financial year was RM82,172 (2010: RM4,910) and was financed by internally generated funds. The JobStreet Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965.

On 30 December 2011, the Company cancelled 2,221,500 treasury shares held and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirement of Section 67A of the Companies Act, 1965.

At 31 December 2011, there were no treasury shares held by the Company.

Retained earnings

The Finance Act 2007 introduced a single tier company income tax system with effect from 1 January 2008.

In the previous financial year, the Company elected for an irrevocable option to disregard any available Section 108 tax credit. Following that, the Company will be distributing dividends out of its entire retained earnings under the single tier Company income tax system.

12. LOAN AND BORROWING

	Group	
	2011 RM	2010 RM
Non-current		
Unsecured bank loan (JPY)	227,175	368,843
Current		
Unsecured bank loan (JPY)	169,891	157,815
	<u>397,066</u>	<u>526,658</u>

The bank loan above refers to a government subsidised bank loan obtained by a subsidiary, which is unsecured and is endorsed with a personal guarantee given by a director of the subsidiary. There are no significant covenants associated with the government subsidised bank loan.

13. DEFERRED INCOME

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Prepaid services	a	32,040,509	24,465,214	54,132	5,000
		<u>32,040,509</u>	<u>24,465,214</u>	<u>54,132</u>	<u>5,000</u>

Note a

Prepaid services comprise of services sold to customers in advance which are yet to be utilised.

14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Trade					
Trade payables		2,185,737	615,886	-	-
		<u>2,185,737</u>	<u>615,886</u>	<u>-</u>	<u>-</u>
Non-trade					
Other payables and accrued expenses	a	12,465,925	8,213,410	1,425,541	853,095
Amount due to subsidiaries	b	-	-	103,752	13,235,872
		<u>12,465,925</u>	<u>8,213,410</u>	<u>1,529,293</u>	<u>14,088,967</u>
		<u>14,651,662</u>	<u>8,829,296</u>	<u>1,529,293</u>	<u>14,088,967</u>

14. TRADE AND OTHER PAYABLES (CONT'D)

Note a

Included in other payables and accrued expenses is dividend declared and payable to the non-controlling interests of a subsidiary, JobStreet.com Philippines, Inc. amounting to RM1,921,225 (2010: RM912,837).

Note b

The amount due to subsidiaries is unsecured, interest free and repayable on demand.

15. EMPLOYEE BENEFITS

Share-based payments arrangement

Share option programme (equity settled)

On 5 October 2004, the Company established a share option scheme that entitles the key management personnel and eligible employees of the Group to purchase shares in the Company. Pursuant to the scheme, options were granted to key management personnel and eligible employees on 29 November 2004, 23 February 2006, 28 March 2007, 20 May 2008 and 11 January 2010. In accordance with the scheme, the options are exercisable at the market price of the shares at the date of grant.

As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied to the options granted on 29 November 2004.

On 23 November 2009, the Board of Directors of the Company had resolved to extend the duration of the scheme for another 5 years to 29 November 2014.

Pursuant to the extension of the Scheme, the Company had obtained the shareholders' approval via an Extraordinary General Meeting held on 6 January 2010 to amend the Bye-Laws of the Employee Share Option Scheme.

The amendments of the Bye-Laws resulted in the aggregate numbers of ESOS options to be offered under the ESOS be increased from 10% to 15% of the issued and paid-up ordinary share capital.

The proposed amendments will allow more ESOS option to be granted to eligible employees to enable them to continue to be rewarded in recognition of their contribution to the Group.

15. EMPLOYEE BENEFITS (CONT'D)**Share-based payments arrangement (cont'd)****Share option programme (equity settled) (cont'd)**

The terms and conditions of the grants are as follows; all options are to be settled by physical delivery of shares:

Grant date/employees entitled	Number of instruments '000	Vesting conditions	Contractual life of options
Options granted to key management personnel on 29 November 2004*	10,050	20.0% upon yearly service and achievement of individual targets**	5 years #
Options granted to eligible employees on 29 November 2004*	12,285	20.0% upon yearly service and achievement of individual targets**	5 years #
Options granted to eligible employees on 23 February 2006	3,787	25.0% upon yearly service and achievement of individual targets**	4 years #
Options granted to eligible employees on 28 March 2007	2,213	33.3% upon yearly service and achievement of individual target**	3 years #
Options granted to eligible employees on 20 May 2008	2,535	50.0% upon yearly service and achievement of individual target**	2 years #
Options granted to key management personnel on 11 January 2010	3,800	12.1% upon yearly service and remainder on achievement of individual target**	5 years
Options granted to eligible employees on 11 January 2010	9,895	9.0% upon yearly service and remainder on achievement of individual target**	5 years
Total share options	<u>44,565</u>		

* The recognition and measurement principles in FRS 2 have not been applied to these options as they were granted prior to the effective date of FRS 2.

** The achievement of individual targets only applies to key management personnel and senior staff.

Pursuant to the extension of the Scheme, the contractual life of the options was extended to 29 November 2014.

15. EMPLOYEE BENEFITS (CONT'D)

Share-based payments arrangement (cont'd)

Share option programme (equity settled) (cont'd)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2011	Number of options ('000) 2011	Weighted average exercise price 2010	Number of options ('000) 2010
Outstanding at 1 January	RM1.07	17,820	RM0.72	9,043
Granted during the year	-	-	RM1.31	13,695
Lapsed during the year	RM1.30	(635)	RM1.27	(1,461)
Exercised during the year	RM0.61	(3,909)	RM1.03	(3,457)
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 31 December	RM1.19	13,276	RM1.07	17,820
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at 31 December	RM0.74	2,757	RM0.51	5,399
	<hr/>	<hr/>	<hr/>	<hr/>

The options outstanding at 31 December 2011 have an exercise price in the range of RM0.36 to RM1.53 and a weighted average contractual life of 2.9 years as a result of the extension of the scheme.

During the financial year, 3,909,400 share options were exercised (2010: 3,457,100). The weighted average share price for the year was RM2.67 (2010: RM2.09).

In the previous financial year, the fair value of services received in return for share options granted was based on the fair value of share options granted, measured using a trinomial lattice model, with the following inputs:

Fair value of share options and assumptions	Eligible employees 2010
Fair value at grant date	RM0.33
	<hr/>
Weighted average share price	1.45
Exercise price	1.31
Expected volatility (weighted average volatility)	21.24%
Option life (expected weighted average life)	5 years
Expected dividends	22 sen
Risk-free interest rate (based on Malaysian government bonds)	3.91%
	<hr/>

There were no share options granted during the year.

15. EMPLOYEE BENEFITS (CONT'D)**Value of employee services received for issue of share options**

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Share options granted in 2010		585,501	1,068,197	105,332	120,293
Total expense recognised as share-based payments	19	585,501	1,068,197	105,332	120,293

The share option expense is recharged to the subsidiaries benefiting from the services of the employees.

16. REVENUE

		Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Services	138,147,395	116,022,413	1,157,157	1,244,736	
Dividends					
- Dividends from a subsidiary	-	-	42,871,142	26,279,970	
- Dividends from an associate	-	-	4,712,709	3,072,978	
- Dividends from other investments	1,628,798	1,032,312	1,628,798	1,032,312	
Investment distribution income	81,157	52,408	81,157	52,408	
	139,857,350	117,107,133	50,450,963	31,682,404	

17. OTHER OPERATING INCOME/(EXPENSES)

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Other operating income/(expenses) are arrived at after charging:					
Auditor's remuneration					
- Statutory audit					
KPMG Malaysia	120,000	102,000	60,000	60,000	
Overseas affiliates of KPMG					
Malaysia	107,875	99,732	-	-	
Other auditors	33,953	31,778	-	-	
- Other services					
KPMG Malaysia	22,000	22,000	22,000	22,000	
Local affiliates of KPMG					
Malaysia	5,088	41,070	5,088	11,550	
Overseas affiliates of KPMG					
Malaysia	17,598	25,727	-	10,460	
Other auditors					
- current year	155,621	151,344	72,837	110,776	
- under provision in prior year	-	12,000	-	12,000	

17. OTHER OPERATING INCOME/(EXPENSES) (CONT'D)

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Impairment loss on trade receivables	24	57,151	232,268	2,226	1,575
Loss on disposal of property and equipment	-	-	20,015	-	-
Net bad debts written off		122,103	47,885	25	4,204
Property and equipment written off		20,132	5	-	-
Realised foreign exchange loss		-	286,594	-	-
Unrealised foreign exchange loss		-	187,065	-	2,390
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

and crediting:

Gain on disposal of property and equipment		3,038	-	-	-
Grant income		536,144	621,032	-	-
Investment distribution income		299,226	179,740	-	-
Negative goodwill on acquisition of a subsidiary	29	-	564,928	-	-
Rental income		-	10,153	50,400	33,600
Realised foreign exchange gain		121,790	-	61,218	146,420
Reversal of impairment loss on trade receivables	24	186,080	180,411	11,800	81,383
Unrealised foreign exchange gain		137,703	-	981	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

18. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors				
- Fees	195,000	195,000	195,000	195,000
- Remuneration	1,141,860	963,167	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total employees' short-term benefits	1,336,860	1,158,167	195,000	195,000
Other key management personnel:				
- Remuneration	1,268,248	859,095	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,605,108</u>	<u>2,017,262</u>	<u>195,000</u>	<u>195,000</u>

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The estimated monetary value of Directors' benefit-in-kind is Nil (2010: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. STAFF COSTS

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Salaries and other employee benefits		40,967,308	32,502,104	148,185	97,139
Contributions to state plans		3,558,265	2,742,934	16,384	12,249
Share-based payments	15	585,501	1,068,197	105,332	120,293
		<u>45,111,074</u>	<u>36,313,235</u>	<u>269,901</u>	<u>229,681</u>

20. INCOME TAX EXPENSE

		Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Continuing operation					
Total tax expense		<u>14,356,386</u>	<u>12,018,589</u>	<u>619,953</u>	<u>417,559</u>
Major components of tax expense include:					
Current tax					
Malaysia - current		11,180,865	9,783,190	30,865	45,190
- prior year		(180,260)	739,990	-	-
Overseas - current		3,854,088	4,678,641	589,088	372,369
- prior year		(74,377)	(74,062)	-	-
Total current tax recognised in profit or loss		<u>14,780,316</u>	<u>15,127,759</u>	<u>619,953</u>	<u>417,559</u>
Deferred tax					
Reversal of temporary differences		(457,930)	(901,832)	-	-
Under/ (Over)provision in prior year		34,000	(2,207,338)	-	-
Total income tax expense		<u>14,356,386</u>	<u>12,018,589</u>	<u>619,953</u>	<u>417,559</u>
Reconciliation of effective tax expense					
Profit for the year		45,464,469	43,137,648	48,324,817	30,222,184
Tax expense		14,356,386	12,019,589	619,953	417,559
Profit before tax		<u>59,820,855</u>	<u>55,157,237</u>	<u>48,944,770</u>	<u>30,639,743</u>

20. INCOME TAX EXPENSE (CONT'D)

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Tax calculated using Malaysian tax rate of 25% (2010: 25%)		14,955,214	13,789,309	12,236,193	7,659,936
Effect of tax rates in foreign jurisdictions*		(505,522)	(243,421)	-	-
Effect of deferred tax assets not recognised/(recognised)		315,137	(57,738)	10,500	(18,669)
Tax incentives		(148,681)	-	(7,605)	-
Non-taxable income		(2,425,215)	(2,003,462)	(12,356,202)	(7,693,065)
Non-deductible expenses		1,364,961	429,938	147,978	96,988
Taxes arising in foreign jurisdictions		1,021,129	1,657,967	589,089	372,369
		<u>14,577,023</u>	<u>13,572,593</u>	<u>619,953</u>	<u>417,559</u>
Over provided in prior year		(220,637)	(1,554,004)	-	-
Income tax expense		<u>14,356,386</u>	<u>12,018,589</u>	<u>619,953</u>	<u>417,559</u>

* Subsidiaries operate in tax jurisdictions with different tax rates from Malaysia.

Under the Multimedia Super Corridor ("MSC") status, the Company has been granted pioneer status under the Promotion of Investments Act, 1986 in respect of its internet related services. The income from pioneer activities of the Company is fully exempted from Malaysian income tax for five years from 19 May 2005 to 18 May 2010. The exemption has been extended to 18 May 2015.

During the financial year, a subsidiary has been granted income tax exemption for its Operational Headquarters activities for a period of 10 years commencing from Year of Assessment 2011 to 2020.

21. EARNINGS PER ORDINARY SHARE**Basic earnings per ordinary share**

The calculation of basic earnings per share at 31 December 2011 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2011	2010
	RM	RM
Profit for the year attributable to owners of the Company	43,356,714	40,980,718
	<hr/>	<hr/>
Weighted average number of ordinary shares		
	Group	
	2011	2010
Issued ordinary shares at 1 January	316,209,300	312,754,200
Effect of treasury shares held	(10,101)	(717)
Effect of share options issued on 15 January 2010	-	524,096
Effect of share options issued on 25 March 2010	-	1,334,980
Effect of share options issued on 21 June 2010	-	289,432
Effect of share options issued on 8 September 2010	-	78,187
Effect of share options issued on 9 December 2010	-	24,669
Effect of share options issued on 22 March 2011	982,274	-
Effect of share options issued on 9 June 2011	1,422,247	-
Effect of share options issued on 7 September 2011	36,548	-
Effect of share options issued on 2 December 2011	1,348	-
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	318,641,616	315,004,847
	<hr/>	<hr/>
	Group	
	2011	2010
Basic earnings per ordinary share (sen)	13.61	13.01
	<hr/>	<hr/>

Diluted earnings per share

The calculation of diluted earnings per ordinary share at 31 December 2011 was based on profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2011	2010
	RM	RM
Profit for the year attributable to owners of the Company (diluted)	43,356,714	40,980,718
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	318,641,616	315,004,847
Effect of share options on issue	7,460,450	8,895,807
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 31 December	326,102,066	323,900,654
	<hr/>	<hr/>

21. EARNINGS PER ORDINARY SHARE (CONT'D)

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

	Group	
	2011	2010
Diluted earnings per share (sen)	13.30	12.65
	<hr/>	<hr/>

22. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM	Date of payment
2011			
Fourth interim 2010 single tier	1.50	4,762,009	31 March 2011
First interim 2011 single tier	1.50	4,799,794	30 June 2011
Final 2010 single tier	1.00	3,199,863	15 July 2011
Second interim 2011 single tier	1.50	4,801,288	30 September 2011
Third interim 2011 single tier	1.75	5,601,539	22 December 2011
		<hr/>	
Total amount		23,164,493	
		<hr/>	
2010			
Final 2009 tax exempt	1.50	4,725,400	28 June 2010
First interim 2010 tax exempt	1.25	3,944,640	28 June 2010
Second interim 2010 single tier	1.25	3,947,741	28 September 2010
Third interim 2010 single tier	1.50	4,743,139	28 December 2010
		<hr/>	
Total amount		17,360,920	
		<hr/>	

The Company had on 21 February 2012 declared a fourth interim single tier dividend of 1.75 sen per share amounting to RM5,610,771 in respect of the financial year ended 31 December 2011 and paid on 30 March 2012. This dividend has not been accounted for in the financial statements.

The Directors recommend the payment of a final single tier dividend of 0.5 sen per share amounting to RM1,600,439 in respect of the financial year ended 31 December 2011. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2011, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

23. OPERATING SEGMENTS

Geographical segments

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

The Group comprises the following main geographical segments:

Malaysia
Singapore
Philippines

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

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property and equipment, and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. OPERATING SEGMENTS (CONT'D)

2011	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Consolidated RM
Geographical segments						
Revenue from external customers	82,722,066	26,318,811	20,182,410	8,924,108	-	138,147,395
Dividends	49,212,648	-	-	-	(47,583,850)	1,628,798
Investment distribution income	81,157	-	-	-	-	81,157
Inter-segment revenue	16,240,714	-	-	-	(16,240,714)	-
Total revenue	148,256,585	26,318,811	20,182,410	8,924,108	(63,824,564)	139,857,350
Segment results						
Results from operating activities	89,931,088	6,423,995	6,127,748	(147,040)	(47,856,182)	54,479,609
Interest income	453,106	14,696	725,203	181,434	-	1,374,439
Finance costs	-	-	-	(10,941)	-	(10,941)
Dividend income	-	39,764,340	-	-	(39,764,340)	-
Gain/(Loss) on financial assets classified as fair value through profit or loss	149,000	(1,224,071)	-	-	-	(1,075,071)
Impairment loss on investments	-	(272,332)	-	-	272,332	-
Share of profit of equity accounted associates and a jointly-controlled entity	5,052,819	-	-	-	-	5,052,819
Profit before tax	95,586,013	44,706,628	6,852,951	23,453	(87,348,190)	59,820,855
Income tax expense	(11,218,693)	(1,279,511)	(1,837,896)	(20,286)	-	(14,356,386)
Profit for the year	84,367,320	43,427,117	5,015,055	3,167	(87,348,190)	45,464,469
Segment assets						
<i>Included in the measure of segment assets are:</i>						
Investments in associates and a jointly-controlled entity	82,190,319	-	-	-	-	82,190,319
Additions to non-current assets other than financial instruments and deferred tax assets	1,698,824	203,815	393,418	766,056	-	3,062,113
Depreciation of property and equipment	1,203,742	125,011	243,076	171,066	-	1,742,895

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. OPERATING SEGMENTS (CONT'D)

2010	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Consolidated RM
Geographical segments						
Revenue from external customers	71,858,569	22,015,639	16,202,884	5,945,321	-	116,022,413
Dividends	30,385,260	-	-	-	(29,352,948)	1,032,312
Investment distribution income	52,408	-	-	-	-	52,408
Inter-segment revenue	6,010,155	-	-	-	(6,010,155)	-
Total revenue	108,306,392	22,015,639	16,202,884	5,945,321	(35,363,103)	117,107,133
Segment results						
Results from operating activities	65,960,593	7,747,809	6,412,001	352,115	(30,029,762)	50,442,756
Interest income	494,773	6,884	441,644	64,356	-	1,007,657
Finance costs	-	-	-	(14,333)	-	(14,333)
Dividend income	-	22,730,879	-	-	(22,730,879)	-
Gain on financial assets classified as fair value through profit or loss	185,662	-	-	-	-	185,662
Impairment loss on investments	-	(676,814)	-	-	676,814	-
Impairment loss on intangible assets	(330,000)	-	-	-	-	(330,000)
Share of profit/(loss) of equity accounted associates and a jointly-controlled entity	3,923,917	(59,422)	-	-	-	3,864,495
Profit before tax	70,234,945	29,749,336	6,853,645	402,138	(52,083,827)	55,156,237
Income tax expense	(8,200,897)	(1,891,075)	(1,923,766)	(2,851)	-	(12,018,589)
Profit for the year	62,034,048	27,858,261	4,929,879	399,287	(52,083,827)	43,137,648
Segment assets	161,458,184	19,147,861	18,048,377	6,326,526	-	204,980,948
<i>Included in the measure of segment assets are:</i>						
Investment in associates and a jointly-controlled entity	81,116,506	-	-	-	-	81,116,506
Additions to non-current assets other than financial instruments and deferred tax assets	1,666,616	239,849	175,348	185,612	-	2,267,425
Depreciation of plant and equipment	961,379	64,100	253,624	134,313	-	1,413,416

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R);
- (b) Fair value through profit or loss (FVTPL) – Held for trading (HFT);
- (c) Available-for-sale financial assets (AFS); and
- (d) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM	L&R RM	FVTPL -HFT RM	AFS RM
2011				
Financial assets				
Group				
Other investments	51,433,739	-	25,679,361	25,754,378
Trade, other receivables and other assets	16,181,316	16,181,316	-	-
Cash and cash equivalents	65,647,602	65,647,602	-	-
	133,262,657	81,828,918	25,679,361	25,754,378
Company				
Other investments	30,365,516	-	4,611,138	25,754,378
Trade, other receivables and other assets	23,185,613	23,185,613	-	-
Cash and cash equivalents	9,570,032	9,570,032	-	-
	63,121,161	32,755,645	4,611,138	25,754,378
			Carrying amount RM	OL RM
2011				
Financial liabilities				
Group				
Loan and borrowing			(397,066)	(397,066)
Trade and other payables			(14,651,662)	(14,651,662)
			(15,048,728)	(15,048,728)
Company				
Trade and other payables			(1,529,293)	(1,529,293)

24. FINANCIAL INSTRUMENTS (CONT'D)

24.1 Categories of financial instruments (cont'd)

	Carrying amount RM	L&R RM	FVTPL -HFT RM	AFS RM
2010				
Financial assets				
Group				
Other investments	39,455,694	-	12,027,783	27,427,911
Trade, other receivables and other assets	13,705,866	13,705,866	-	-
Cash and cash equivalents	50,180,499	50,180,499	-	-
	<u>103,342,059</u>	<u>63,886,365</u>	<u>12,027,783</u>	<u>27,427,911</u>
Company				
Other investments	29,708,049	-	2,280,138	27,427,911
Trade, other receivables and other assets	20,254,498	20,254,498	-	-
Cash and cash equivalents	2,142,933	2,142,933	-	-
	<u>52,105,480</u>	<u>22,397,431</u>	<u>2,280,138</u>	<u>27,427,911</u>

	Carrying amount RM	OL RM
2010		
Financial liabilities		
Group		
Loans and borrowings	(526,658)	(526,658)
Trade and other payables	(8,829,296)	(8,829,296)
	<u>(9,355,954)</u>	<u>(9,355,954)</u>
Company		
Trade and other payables	(14,088,967)	(14,088,967)
	<u>(14,088,967)</u>	<u>(14,088,967)</u>

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Fair value through profit or loss:				
- held for trading	(1,075,071)	185,662	131,000	104,662
Available-for-sale financial assets				
- recognised in other comprehensive income	(2,061,000)	6,203,000	(2,061,000)	6,203,000
Loans and receivables	1,629,817	654,874	133,063	374,141
	<u>(1,506,254)</u>	<u>7,043,536</u>	<u>(1,796,937)</u>	<u>6,681,803</u>

24. FINANCIAL INSTRUMENTS (CONT'D)

24.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from trade receivables, advances to subsidiaries and financial guarantees given to banks for credit facilities granted to a subsidiary.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to a bank in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary.

As at the end of the reporting period, the subsidiary has not utilised the banking facilities.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 180 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2011 RM	2010 RM
Malaysia	6,972,915	6,763,363
Singapore	2,306,724	1,739,362
Philippines	2,585,787	1,707,591
Others	1,164,348	464,854
	13,029,774	10,675,170
	13,029,774	10,675,170

24. FINANCIAL INSTRUMENTS (CONT'D)**24.4 Credit risk (cont'd)**

The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM	Impairment losses RM	Net RM
2011			
Not past due	6,190,333	(3,346)	6,186,987
Past due 0 - 30 days	3,779,773	(47,220)	3,732,553
Past due 31 - 180 days	2,967,796	(46,175)	2,921,621
Past due more than 180 days	816,931	(628,318)	188,613
	<hr/>	<hr/>	<hr/>
	13,754,833	(725,059)	13,029,774
	<hr/>	<hr/>	<hr/>
2010			
Not past due	6,258,775	(1,364)	6,257,411
Past due 0 - 30 days	2,414,233	(57,485)	2,356,748
Past due 31 - 180 days	2,045,800	(108,851)	1,936,949
Past due more than 180 days	929,549	(805,487)	124,062
	<hr/>	<hr/>	<hr/>
	11,648,357	(973,187)	10,675,170
	<hr/>	<hr/>	<hr/>

The movements in the allowance for impairment losses of trade receivables during the year were:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At 1 January	973,187	704,014	30,070	109,878
Impairment loss recognised	57,151	232,268	2,226	1,575
Impairment loss reversed	(186,080)	(180,411)	(11,800)	(81,383)
Impairment loss written off	(119,199)	-	-	-
Acquisition of a subsidiary	-	217,316	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	725,059	973,187	20,496	30,070
	<hr/>	<hr/>	<hr/>	<hr/>

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets***Risk management objectives, policies and processes for managing the risk***

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk and credit quality

As at the end of the reporting period, the Group has invested in domestic and overseas securities. The maximum exposure to the credit risk is represented by the carrying amounts in the statements of financial position.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.4 Credit risk (cont'd)

Exposure to credit risk and credit quality (cont'd)

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments and other financial assets are unsecured.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries.

24.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group 2011	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Within 1 year RM	1 - 5 years RM
<i>Non-derivative financial liabilities</i>					
Unsecured bank loan (JPY)	397,066	2.5%	406,992	174,138	232,854
Trade and other payables	14,651,662	-	14,651,662	14,651,662	-
	<u>15,048,728</u>		<u>15,058,654</u>	<u>14,825,800</u>	<u>232,854</u>

24. FINANCIAL INSTRUMENTS (CONT'D)**24.5 Liquidity risk (cont'd)**

Company 2011	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Within 1 year RM	1 - 5 years RM
<i>Non-derivative financial liabilities</i>					
Trade and other payables	1,529,293	-	1,529,293	-	-
Group 2010					
<i>Non-derivative financial liabilities</i>					
Unsecured bank loan (JPY)	526,658	2.5%	539,825	161,761	378,064
Trade and other payables	8,829,296	-	8,829,296	8,829,296	-
	<u>9,355,954</u>		<u>9,369,121</u>	<u>8,991,057</u>	<u>378,064</u>
Company 2010					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	14,088,967	-	14,088,967	-	-

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

24.6.1 Currency risk

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD). The Group does not hedge its currency risk.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market risk (cont'd)

24.6.1 Currency risk (cont'd)

	2011 RM	2010 RM
Group		
Trade receivables (USD)	725,944	703,194
	<hr/>	<hr/>
Exposure in the statements of financial position	725,944	703,194
	<hr/>	<hr/>
Company		
Trade receivables (USD)	205,589	152,546
	<hr/>	<hr/>
Exposure in the statement of financial position	205,589	152,546
	<hr/>	<hr/>

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2010:10%) strengthening of the RM against the USD at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
	2011 RM	2010 RM
Group		
<i>USD</i>	54,446	52,740
	<hr/>	<hr/>
Company		
<i>USD</i>	15,419	11,441
	<hr/>	<hr/>

A 10% (2010:10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

24.6.2 Interest rate risk

The Group's and the Company's exposure to interest rate risk arises from interest-bearing borrowings and interest-earning assets respectively. The borrowings which have been taken to finance the working capital of subsidiary is subject to fixed interest rates. The Group does not hedge its interest rate risk.

Deposits are placed with licensed banks with varying maturity dates.

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market risk (cont'd)

24.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets				
Deposits with licensed banks	54,406,721	38,862,244	7,945,178	543,767
Financial liabilities				
Unsecured bank loan (JPY)	(397,066)	(526,658)	-	-

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

24.6.3 Other price risk

Other price risk arises from the Group's quoted investments.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the quoted investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's short term quoted investments moved in correlation with the bond markets while long term quoted investments moved in correlation with the stock exchange of Singapore and Hong Kong.

A 10 % (2010:10%) strengthening in the abovementioned stock exchanges and bond markets respectively at the end of the reporting period would result in the following impact to equity and profit and loss:

	2011		2010	
	Equity	Profit	Equity	Profit
	RM	and loss	RM	and loss
		RM		RM
Group				
Long term other investments	2,575,438	-	2,742,791	-
Short term other investments	2,567,936	2,567,936	1,202,778	1,202,778

24. FINANCIAL INSTRUMENTS (CONT'D)

24.6 Market risk (cont'd)

24.6.3 Other price risk (cont'd)

	2011		2010	
	Equity RM	Profit and loss RM	Equity RM	Profit and loss RM
Company				
Long term other investments	2,575,438	-	2,742,791	-
Short term other investments	461,114	461,114	228,014	228,014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A 10 % (2010:10%) weakening in the abovementioned stock exchanges would have had equal but opposite effect on equity and profit or loss respectively.

24.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of other financial liabilities, together with the carrying amounts shown in the statements of financial position, is as follow:

	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Quoted shares	51,433,739	51,433,739	39,455,694	39,455,694
Unsecured bank loan (JPY)	(397,066)	(380,646)	(526,658)	(498,932)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Company				
Quoted shares	30,365,516	30,365,516	29,708,049	29,708,049
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following summarises the methods used in determining the fair value of financial instrument reflected in the above table.

Investments in equity and debt securities

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Interest rates used to determine fair value

The interest rate used to discount estimated cash flows, when applicable, is as follow:

Loan and borrowing	2011 2.5%	2010 2.5%
--------------------	---------------------	---------------------

24. FINANCIAL INSTRUMENTS (CONT'D)

24.7 Fair value of financial instruments (cont'd)

24.7.1 Fair value hierarchy

Comparative figures have not been presented for 31 December 2010 by virtue of paragraph 44G of FRS 7.

The table below sets out the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group 2011	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets				
Investments in quoted shares	51,433,739	-	-	51,433,739

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

26. CAPITAL COMMITMENTS

	Group and Company	
	2011 RM	2010 RM
Investment in a jointly-controlled entity		
Contracted but not provided for:	-	288,217
Property and equipment		
Contracted but not provided for:	497,900	-

27. CONTINGENT LIABILITIES

	Company	
	2011 RM	2010 RM
Corporate guarantees given to licensed banks for credit facilities granted to a subsidiary	13,431,000	13,120,250

28. RELATED PARTIES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 18), are as follows:

Company	Transactions value year ended 31 December	
	2011 RM	2010 RM
Subsidiaries		
Technical and management services charges	481,098	633,152
Rental income	(50,400)	(33,600)

Balances with subsidiaries are as disclosed in Note 9 and Note 14.

These transaction have been entered into in the normal course of business and have been established under negotiated terms.

29. ACQUISITION OF A SUBSIDIARY

On 11 March 2010, E-18 and JobStreet.com Pte. Ltd. (“JobStreet Singapore”) entered into a Share Purchase Agreement whereby E-18 agreed to sell 424,500 ordinary shares of Rs10 each in JobStreet.com India Pvt. Ltd. (“JobStreet India”) (“Sale Shares”) aggregating to 50% of the total issued and paid-up capital of JobStreet India to JobStreet Singapore at a total purchase consideration of USD126,501 (USD0.298 per share) (“Proposed Acquisition”) and subject to the terms and conditions as stipulated in the Share Purchase Agreement.

The Share Purchase Agreement was completed on 31 March 2010, resulting in JobStreet India becoming a wholly-owned subsidiary of JobStreet Singapore, which in turn is a wholly-owned subsidiary of the Company.

29. ACQUISITION OF A SUBSIDIARY (CONT'D)

The aforementioned acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Recognised values on acquisition 2010 RM
Property and equipment	38,148
Receivables, deposits and prepayments	846,344
Cash and cash equivalents	1,906,124
Payables and accruals	(416,882)
	<hr/>
Net identifiable assets and liabilities	2,373,734
Decrease in share of reserve in a jointly-controlled entity	(1,392,708)
Negative goodwill	(564,928)
	<hr/>
Consideration paid, satisfied in cash	416,098
Cash acquired	(1,906,124)
	<hr/>
Net cash inflow	(1,490,026)
	<hr/>

30. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF THE REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiaries				
- realised	92,692,004	72,648,905	83,488,904	58,435,512
- unrealised	2,556,501	3,354,456	189,981	58,000
	<hr/>	<hr/>	<hr/>	<hr/>
	95,248,505	76,003,361	83,678,885	58,493,512
Total share of retained earnings of associated companies:				
- realised	2,360,626	1,090,403	-	-
- unrealised	(83,633)	38,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	97,525,498	77,131,764	83,678,885	58,493,512
Total share of accumulated losses of a jointly-controlled entity:				
- realised	(1,800,991)	(992,511)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	95,724,507	76,139,253	83,678,885	58,493,512
Add: Consolidation adjustments	10,125,934	9,493,918	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total retained earnings	105,850,441	85,633,171	83,678,885	58,493,512

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

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 36 to 97 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 98 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

CHANG MUN KEE

LIM CHAO LI

Kuala Lumpur,

Date: 16 April 2012

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 36 to 98 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 16 April 2012.

GREGORY CHARLES POARCH

Before me:

K. NERMALA (No. W 378)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

to the members of **JobStreet Corporation Berhad** (Company No. 641378-W) (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Jobstreet Corporation Bhd, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 97.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and auditors' reports of all the subsidiaries of which we have not acted as auditors, which is indicated in Note 5 to the financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

- (c) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 on page 98 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material aspects, in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

Firm Number: AF 0758
Chartered Accountants

Chong Dee Shiang

Approval Number: 2782/09/12(J)
Chartered Accountant

Petaling Jaya,

Date: 16 April 2012

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Net Book Value as at 31.12.2011 (RM)	Date of Acquisition
Wisma JobStreet.com No. 27, Lorong Medan Tuanku 1, Off Jalan Sultan Ismail, 50300 Kuala Lumpur	8-storey office building with basement	JobStreet's Head Office	27	3,917	Freehold	9,813,615	6.12.2005
19, Jalan Sasa 3, Taman Gaya, 81800 Ulu Tiram, Johor Darul Takzim	2-storey shop office	Sales office	4	357	Freehold	358,253	19.5.2006

ANALYSIS OF SHAREHOLDINGS

as at 6 April 2012

Authorised Capital	:	RM100,000,000.00
Issued And Paid-up Capital	:	RM64,123,109.20*
Class of Share	:	Ordinary shares of RM0.20 each
Voting Right	:	One vote per ordinary share held

* Inclusive of 253,600 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% [#]
Less than 100 shares	44	4.31	1,995	0.00
100 – 1,000 shares	222	21.77	78,833	0.03
1,001 – 10,000 shares	436	42.75	1,472,680	0.46
10,001 – 100,000 shares	217	21.27	7,539,954	2.35
100,001 to less than 5% of issued shares [#]	96	9.41	128,806,881	40.21
5% and above of issued shares	5	0.49	182,461,603	56.95
Total	1,020	100.00	320,361,946	100.00

[#] Excludes 253,600 ordinary shares of RM0.20 each bought back by the Company and held as treasury shares as at 6 April 2012

SUBSTANTIAL SHAREHOLDERS

(As per register of substantial shareholders)

Name	No. of Shares Held			% [#]
	Direct	% [#]	Indirect	
Seek International Investments Pty Ltd	70,513,286	22.01	-	-
Chang Mun Kee	31,300,377	9.77	5,000,000*	1.56
Wong Siew Hui	30,341,565	9.47	-	-
FMR LLC & FIL Limited	-	-	33,109,100**	10.33
Ng Kay Yip	26,173,310	8.17	-	-
Lim Chao Li	24,283,065	7.58	-	-

* Registered in the name of HSBC (Malaysia) Trustee Berhad – Little Rain Children Trust, the trustee of a discretionary trust for estate planning purposes, the beneficiaries of which are members of Mr. Chang Mun Kee's family and himself.

** FMR LLC & FIL Limited and their direct and indirect subsidiaries.

[#] Excludes 253,600 ordinary shares of RM0.20 each bought back by the Company and held as treasury shares as at 6 April 2012

ANALYSIS OF SHAREHOLDINGS (CONT'D)

DIRECTORS' SHAREHOLDINGS

(As per register of directors' shareholdings)

Name of Directors	No. of Shares Held			
	Direct	% [#]	Indirect	% [#]
Datuk Ali bin Abdul Kadir	1,640,000	0.51	105,000 *	0.03
Tan Sri Dato' Dr Lin See Yan	3,240,000	1.01	-	-
Chang Mun Kee	31,300,377	9.77	5,000,000**	1.56
Lim Chao Li	24,283,065	7.58	-	-
Ng Kay Yip	26,173,310	8.17	-	-
Suresh A/L Thirugnanam	12,445,410	3.88	-	-
Yang Chi-Kuan (appointed on 20 February 2012)	-	-	-	-

Note : * Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965.

** Registered in the name of HSBC (Malaysia) Trustee Berhad – Little Rain Children Trust, the trustee of a discretionary trust for estate planning purposes, the beneficiaries of which are members of Mr. Chang Mun Kee's family and himself.

Excludes 253,600 ordinary shares of RM0.20 each bought back by the Company and held as treasury shares as at 6 April 2012

30 LARGEST SHAREHOLDERS

Name	No. of Shares Held	% [#]
1. HSBC Nominees (Asing) Sdn Bhd <i>SEEK International Investments Pty Ltd</i>	70,513,286	22.01
2. Chang Mun Kee	31,300,377	9.77
3. Wong Siew Hui	30,341,565	9.47
4. Ng Kay Yip	26,023,310	8.12
5. Lim Chao Li	24,283,065	7.58
6. HSBC Nominees (Asing) Sdn Bhd <i>TNTC For Kuroto Fund LP</i>	11,271,900	3.52
7. Cartaban Nominees (Asing) Sdn Bhd <i>BBH (LUX) SCA for Fidelity Funds Asean</i>	11,002,650	3.43
8. Suresh A/L Thirugnanam	10,545,410	3.29
9. Gregory Charles Poarch	8,291,175	2.59
10. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN for JPMorgan Chase Bank, National Association (U.S.A)</i>	7,040,150	2.20
11. Cartaban Nominees (Asing) Sdn Bhd <i>BBH (LUX) SCA for Fidelity Funds Pacific</i>	6,970,700	2.18
12. Citigroup Nominees (Asing) Sdn Bhd <i>PLL for Acacia Partners LP</i>	6,000,000	1.87

ANALYSIS OF SHAREHOLDINGS (CONT'D)

30 LARGEST SHAREHOLDERS (CONT'D)

Name	No. of Shares Held	%#
13. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN for Morgan Stanley & Co. International Plc (IPB CLIENT ACCT)</i>	5,800,700	1.81
14. HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt AN for HSBC (Malaysia) Trustee Berhad (LRCT-5741)</i>	5,000,000	1.56
15. Cartaban Nominees (Asing) Sdn Bhd <i>BBH (LUX) SCA for Fidelity Funds Malaysia</i>	4,660,800	1.45
16. Citigroup Nominees (Asing) Sdn Bhd <i>PLL for Acacia Institutional Partners LP</i>	3,900,000	1.22
17. Lin Hai Moh @ Lin See Yan	3,140,000	0.98
18. Nataranjan Muralidharan	2,391,310	0.75
19. Lee Sau Eng	2,289,000	0.71
20. HSBC Nominees (Asing) Sdn Bhd <i>BBH And Co Boston for Fidelity Japan Asia Growth Mother Fund (MTBJ)</i>	2,041,000	0.64
21. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Suresh A/L Thirugnanam (MY0526)</i>	1,900,000	0.59
22. Ng Kay Ian	1,628,895	0.51
23. Citigroup Nominees (Asing) Sdn Bhd <i>PLL for Acacia Conservation Fund LP</i>	1,560,000	0.49
24. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN for Credit Suisse (HK BR-TST-ASING)</i>	1,500,000	0.47
25. HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels For CI Asian Tiger Fund</i>	1,411,500	0.44
26. Ted Allen Targosz	1,377,250	0.43
27. Citigroup Nominees (Asing) Sdn Bhd <i>CBHK for Frontier Asia Fund</i>	1,271,700	0.40
28. Ambank (M) Berhad <i>Pledged Securities Account for Ali Bin Abdul Kadir (Smart)</i>	1,270,000	0.40
29. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN for the Bank of New York Mellon (Mellon Acct)</i>	1,223,100	0.38
30. <i>DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Kumpulan Sentiasa Cemerlang Sdn. Bhd. (TSTAC/CLNT)</i>	1,194,250	0.37

Excludes 253,600 ordinary shares of RM0.20 each bought back by the Company and held as treasury shares as at 6 April 2012

NOTICE OF EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of JOBSTREET CORPORATION BERHAD will be held and convened at 3rd Floor, Wisma JobStreet.com, No. 27, Lorong Medan Tuanku 1, (Off Jalan Sultan Ismail), 50300 Kuala Lumpur on Thursday, 17 May 2012 at 3.30 p.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution 1

2. To declare a Final Single Tier Dividend of 0.5 sen per ordinary share of RM0.20 each for the financial year ended 31 December 2011.

Ordinary Resolution 2

3. To approve the Directors' Fees of RM195,000.00 for the financial year ended 31 December 2011 and payment thereof.

Ordinary Resolution 3

4. To re-elect Mr Yang Chi-Kuan, the Director who is retiring under Article 92 of the Articles of Association of the Company.

Ordinary Resolution 4

5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

"That pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Dr Lin See Yan be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 5

6. To re-elect the following Directors who are retiring under Article 85 of the Articles of Association of the Company:-

- i) Mr Chang Mun Kee

Ordinary Resolution 6

- ii) Datuk Ali bin Abdul Kadir

Ordinary Resolution 7

7. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 8

As Special Business

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

8. **Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting 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 ten per centum (10%) of the issued share capital

of the Company (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.”

Ordinary Resolution 9

9. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares (“Proposed Share Buy-Back”)

“THAT subject to the Companies Act, 1965 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised, to the extent permitted by law, to make purchases of ordinary shares comprised in the Company’s issued and paid-up share capital, such purchases to be made through Bursa Securities and to take all such steps as necessary (including opening and maintaining of a central depositories account under the Securities Industry (Central Depository) Act, 1991) and enter into any agreements, arrangements, and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any), as may be imposed by the relevant authorities from time to time subject further to the following:

- (i) the maximum aggregate number of ordinary shares of RM0.20 each in the Company (“JCB Shares”) which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company, subject to the provisions of the Listing Requirements;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the JCB Shares under the Proposed Share Buy-Back shall not exceed the retained profits and/or share premium account of the Company for the time being. Based on the audited financial statements of the Company for the financial year ended 31 December 2011, the audited retained profits and share premium account of the Company stood at approximately RM83.68 million and RM5.29 million respectively;
- (iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
 - (a) the conclusion of the next annual general meeting (“AGM”) of the Company, following the general meeting at which this resolution was passed at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority;
 - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the JCB Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority; and

NOTICE OF EIGHTH ANNUAL GENERAL MEETING (CONT'D)

upon the purchase(s) of the JCB Shares by the Company, the Directors of the Company be and are hereby authorised to cancel any portion or all of the JCB Shares so purchased or to retain the JCB Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders, and/or resold on Bursa Securities, and/or subsequently cancelled or to retain part of the JCB Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the purchase(s) of the JCB Shares by the Company with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the JCB Shares.”

Ordinary Resolution 10

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighth Annual General Meeting to be held on Thursday, 17 May 2012, a Final Single Tier Dividend of 0.5 sen per ordinary share of RM0.20 each in respect of the financial year ended 31 December 2011 will be paid to shareholders on 29 June 2012. The entitlement date for the said dividend shall be on 13 June 2012.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 13 June 2012 in respect of ordinary transfers;
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
LIEW IRENE (MAICSA 7022609)
Secretaries

Selangor Darul Ehsan

Date: 24 April 2012

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) 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) proxies, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

NOTICE OF EIGHTH ANNUAL GENERAL MEETING (CONT'D)

3. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. 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.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority must be deposited at the Company's Registered Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 8 May 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
7. **EXPLANATORY NOTES ON THE SPECIAL BUSINESS**

(i) *Ordinary Resolution 9 on the Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 (the "Act") for the Directors to issue shares.*

The Company had, during its Seventh Annual General Meeting ("AGM") held on 22 June 2011, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 9 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s), working capital and/or acquisitions.

(ii) *Ordinary Resolution 10 - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares*

The proposed Ordinary Resolution 10, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of JCB Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the Eighth AGM is required by law to be held.

Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement of the Company dated 24 April 2012 which was despatched together with this Annual Report.

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PROXY FORM

No. of shares held	
--------------------	--

I/We,.....
of
being a member of **JOBSTREET CORPORATION BERHAD**, hereby appoint
.....
of
or failing him/her,
of.....

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held at 3rd Floor, Wisma JobStreet.com, No. 27, Lorong Medan Tuanku 1, (Off Jalan Sultan Ismail), 50300 Kuala Lumpur on Thursday, 17 May 2012 at 3.30 p.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

* Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

No	Ordinary Resolution	For	Against
1.	Adoption of Audited Financial Statements for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors		
2.	Declaration of a Final Single Tier Dividend of 0.5 sen per ordinary share of RM0.20 each		
3.	Approval of the Directors' Fees for the financial year ended 31 December 2011 and payment thereof		
4.	Re-election of Mr Yang Chi-Kuan as Director		
5.	Re-appointment of Tan Sri Dato' Dr Lin See Yan as Director		
6.	Re-election of Mr Chang Mun Kee as Director		
7.	Re-election of Datuk Ali bin Abdul Kadir as Director		
8.	Re-appointment of Messrs KPMG as Auditors		
9.	Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		
10.	Proposed Renewal Authority for the Company to Purchase its Own Ordinary 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 2012.

.....
Signature Shareholder(s)/ Common Seal

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) 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) proxies, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
3. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. 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.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority must be deposited at the Company's Registered Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 8 May 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

**AFFIX
STAMP**

The Company Secretary
JOBSTREET CORPORATION BERHAD
(Company No.: 641378-W)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

