

# The New Journey Begins







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# GROUP PERFORMANCE HIGHLIGHTS

| Financial Year Ended 31 December                                 | * 2009 | * 2010 | 2011  | ** 2012 | ** 2013 |
|--|--------|--------|-------|---------|---------|
| <b>Operating Results (RM Million)</b>                            |        |        |       |         |         |
| Revenue  | 92.3   | 117.1  | 139.9 | 160.8   | 177.7   |
| Results from operating activities                                | 35.6   | 50.4   | 54.5  | 63.7    | 80.1    |
| Profit before tax  | 36.6   | 55.2   | 59.8  | 77.0    | 84.8    |
| Profit after tax   | 29.2   | 43.1   | 45.5  | 61.4    | 66.0    |
| Profit attributable to owners of the Company                     | 27.7   | 41.0   | 43.3  | 58.3    | 61.4    |
| Net cash generated from operations                               | 29.8   | 43.0   | 49.9  | 53.4    | 62.9    |
| Research & development expenditure                               | 5.3    | 6.0    | 7.9   | 7.5     | 10.1    |
| <b>Key Balance Sheet Data (RM Million)</b>                       |        |        |       |         |         |
| Total assets   | 155.3  | 202.3  | 239.1 | 274.7   | 315.2   |
| Borrowings   | 0.7    | 0.5    | 0.4   | 0.2     | 0.0     |
| Issued and paid-up share capital                                 | 63.0   | 63.7   | 64.0  | 63.0    | 63.5    |
| Equity attributable to owners of the Company                     | 124.5  | 164.5  | 188.3 | 214.6   | 249.4   |
| No. of ordinary shares in issuance<br>(no. of shares, million) ^ | 629.8  | 636.8  | 640.2 | 630.0   | 635.1   |
| <b>Share Information and Valuation</b>                           |        |        |       |         |         |
| Basic earnings per share (sen) ^                                 | 4.45   | 6.51   | 6.80  | 9.11    | 9.71    |
| Diluted earnings per share (sen) ^                               | 4.40   | 6.33   | 6.65  | 8.96    | 9.55    |
| Net dividend per share (sen)                                     | 3.00   | 6.50   | 7.00  | 9.25    | 7.50    |
| Share price as at 31 December (RM)                               | 1.41   | 2.98   | 2.23  | 2.20    | 2.48    |
| Net dividend yield (%)   | 2.13   | 2.18   | 3.14  | 4.20    | 3.02    |
| <b>Financial Ratios</b>  |        |        |       |         |         |
| Return on equity (%)   | 22.23  | 24.91  | 23.02 | 27.18   | 24.63   |
| Current ratio  | 2.6    | 2.1    | 2.2   | 2.2     | 2.4     |
| Net asset value per share (RM) ^                                 | 0.20   | 0.26   | 0.29  | 0.34    | 0.39    |
| Operating margin (%)   | 38.52  | 43.07  | 38.94 | 39.64   | 45.07   |
| Net profit margin (%)  | 29.98  | 34.99  | 30.99 | 36.28   | 34.57   |

\* Adjusted for the application of MFRS 3, Business Combinations, from 30 September 2004.

\*\* The results from the Group's continuing operations and discontinued operations are presented separately in the Statement of Profit or Loss and Other Comprehensive Income.

^ The comparatives for the financial year ended 31 December 2009 to 31 December 2012 have been restated to account for the effect of the subdivision of every ordinary share of RM0.20 each into two ordinary shares of RM0.10 each which was completed on 5 September 2013.

^^ 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 Thiruganam**

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)

Choong Lee Wah (MAICSA 7019418)

## 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

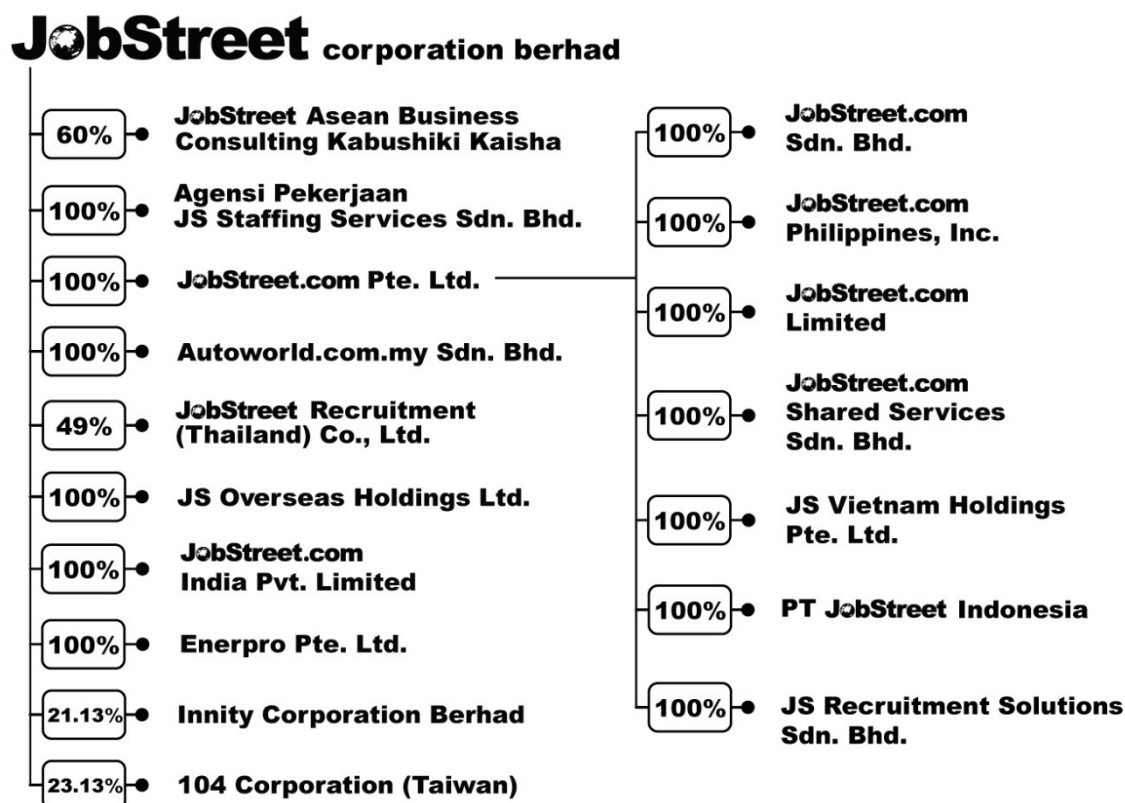
Fax: 03-77201111

## WEBSITE

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

# CORPORATE STRUCTURE

as at 19 May 2014



## 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 11 million jobseekers

### Outsourced Human Capital Services

#### JobStreet.com Select

- Headhunting service 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

### 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

#### JobStreet.com Classifieds

- Low-cost job posting services used primarily to hire semi-skilled positions

# 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 2013.

We are pleased to report that 2013 has been another successful year for JobStreet. The region benefited from a gradual recovery in developed markets which led to most countries in our region recording healthy economic growth. The Philippines and Singapore were particularly strong markets in 2013. The general elections in Malaysia and the Philippines also were concluded peacefully. All of these factors translated to improved business confidence, more job creation and more companies hiring. As a result, the Group registered a solid 25.6% growth in results from operating activities in 2013. The year also saw the Company’s market capitalisation surpassing the RM1 billion mark for the first time on 29 April 2013.

And as you are aware, subsequent to the end of the year, we had announced the proposed sale of the Group’s online job portal business to SEEK Asia Investment Pte Ltd (“SEEK”) for RM1.73 billion which is a major milestone for the Group and would represent a very satisfying exit from an incredibly rewarding business. We shall discuss this deal in more in-depth in a separate section below, but first....

## 2013 IN REVIEW

Growth in key economies began to gain consistent traction in 2013, albeit slowly. Growth continued at a modest pace in the US prompting the government to begin tapering of its asset purchase program beginning in 2014. Recovery in the euro area has continued since the second quarter of 2013 supported by an accommodative monetary policy, but the recovery is still fragile there. The growth in Asia generally moderated and was weaker than anticipated. Slowing growth in China and India, in particular, continued to dampen growth in Asia. On the local front, the Malaysian economy expanded by 4.7%, lower than the 5.6% in 2012, as weak external demand and subdued public investment constrained growth. Similarly, sluggish external demand exacerbated by rising inflation suppressed GDP growth to just 5.8% in Indonesia, down from 6.3% in 2012. Political tensions meanwhile restrained growth in Thailand. Bucking the trend in the region, the Philippines economy was resilient, growing by 7.2% in 2013 compared with 6.8% in 2012, driven by stronger private consumption and fixed investment. Meanwhile, Singapore’s open and trade dependent economy, propelled by improving exports, expanded by 4.1% in 2013.

On the back of this regional and global economic environment, we are pleased to report that the Group has maintained its strong track record of year-on-year growth in 2013. The Group’s revenue had increased 10% to RM177.7 million compared with RM160.8 million in 2012. Revenue from our core online job posting services expanded by a healthy 20.6% driven by growth in the Philippines and Singapore where job posting revenue grew 28.6% and 27.5% respectively. In contrast, revenue from the Group’s traditional headhunting and contract staffing services in Malaysia, contracted by 16.8% in 2013 and as a percentage of revenue, these offline services contributed 11% of the Group’s revenue, down from 14% in the previous year.

In tandem with the growth in online job posting revenue, the Group’s results from operating activities increased 25.6% to RM80.1 million in 2013. Staff costs being the Group’s primary expense, increased by only 3.4% as the Group focused on enhancing productivity and maximizing revenue per customer. The Group also managed its marketing spending better and as such was able to contain the increase in marketing costs. Overall, the Group was able to keep its operating expenses flat from 2012 and with that, operating margins improved to 45.1% from 39.6% in 2012.

During the year, the Group had invested an additional RM13.7 million mainly on money market and equity/fixed income blended funds. The Group’s investments in quoted securities and unit trusts generated dividends and distributions amounting to RM5.2 million in 2013. However, this was partially offset by loss arising from changes to the fair value of the investments amounting to RM1.1 million.

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

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 103% to RM6.2 million compared with RM3.1 million in 2012. This was mainly due to 104 Corporation performing satisfactorily in 2013, reporting a profit after tax of RM24.6 million, up 26.7% from 2012.

Malaysia continued to be our largest market with 53% revenue contribution to the Group in 2013, down from 58% in 2012 as revenue from the other key markets expanded at a faster pace. We were able to maintain our position as the No. 1 job portal in Malaysia despite uncertainties arising from the general elections in May 2013. Given those uncertainties, revenue (excluding dividends, investment income and inter-company income) grew by a mere 3.5% year-on-year. Nevertheless, we see opportunities in Malaysia and expect it to continue generating good profits.

The twin star performers of the Group for 2013 would undoubtedly be our Singapore and Philippines businesses. With a fairly robust economy, our Singapore business performed remarkably well in 2013, with job posting revenue growing 27.5% year-on-year. In terms of contribution, Singapore contributed 20% of the Group’s revenue in 2013, increasing from 18% a year ago.

Similarly over in the Philippines, aided by a fast growing economy, our job posting revenue grew 28.6% year-on-year. In terms of contribution, Philippines contributed 21% of the Group’s revenue in 2013. The thriving BPO sector continued to create a lot of jobs and hiring activity which is good for our business. In 2013, Manila overtook Mumbai and climbed one step higher with a second ranking after Bangalore in the Top 100 Outsourcing Destinations, with Cebu holding its place on the eighth rung of the ladder.

While our Singapore and Philippines markets continue to mature and become pillars of strength of the Group, our Indonesia and Vietnam businesses on the other hand represent attractive future growth areas. We are happy that our Indonesian subsidiary has already started to show positive results, with revenue growing 52.7% year-on-year. The number of jobs posted on our Indonesian website continued to grow at a fast pace during the year. As part of the planning for the proposed disposal to SEEK, on 28 March 2014, we have completed the acquisition of the remaining 40% equity interest in PT JobStreet Indonesia.

As at the year-end, we held 81% equity interest in JS Vietnam Holdings Pte Ltd (“JSVNH”), an investment holding company incorporated in Singapore to facilitate the entry into Vietnam. On 22 November 2013, JSVNH entered into a Capital Transfer Agreement to acquire 95% of the chartered capital of JobStreet Company Limited (“JS Vietnam”), the operating company which will spearhead the Group’s job portal business in Vietnam. We are certainly excited with the prospects that this country has to offer with its evolving social, digital and mobile landscape. However, as with any entry into new markets, it will require some time to scale up business operations before it can make any meaningful contribution to the Group. Again, as a precursor to the proposed disposal to SEEK, on 17 March 2014, we have completed the acquisition of the remaining 19% equity interest in JSVNH.

Given our relatively strong performance, diversified profit drivers yielding greater profit stability and increased operating cash flow, the Board decided to revise our dividend policy in May 2013. The new dividend policy provided for the payment of up to 75% of the Group’s net profit after tax and minority interest on a quarterly basis. In addition, we had conducted a share split exercise in September 2013 to enhance the marketability and trading liquidity of the shares to try to appeal to a wider group of shareholders and investors.

Overall, the Group’s net profit attributable to shareholders amounted to RM61.4 million, an increase of 5.3% from 2012. The increase of 5.3% is deceptively low as, in the previous year, net profit was positively impacted by one-off items such as fair value gains on the Group’s investments in REITs, reversal of impairment loss on the Group’s investment in Innity and a gain on dilution of equity interest in Innity which collectively amounted to RM8.5 million. This had the effect of reducing the bottom-line growth in 2013. Earnings per share amounted to approximately 10 sen per share. The Board has declared dividends totaling 7 sen to date and together with the proposed final dividend of 0.5 sen, we have returned slightly above 75% of 2013 profits to shareholders consistent with our announced dividend policy. The total payout of 7.5 sen in a financial year, after taking into consideration the share split, will be the highest we’ve ever reached.

Our financial position continued to strengthen with shareholder’s equity of RM249.4 million as at 31 December 2013 compared to RM214.6 million at the end of the previous year. Our liquid cash reserves amounted to RM74.8 million, with negligible debt. Apart from cash, we also had another RM99.7 million of other investments in a diversified portfolio comprising money market funds, equity/fixed income funds,



quoted securities under a managed portfolio, REITS, as well as holdings in Cinderella Media Group Limited, 1010 Printing Group and Asiatravel.com Holdings Ltd. Our trade receivables, net of impairment loss, amounted to RM13.1 million which translated into a very healthy average day sales outstanding of only 18 days. Towards the end of 2013, we had cancelled our holdings of 813,600 treasury shares given the Group's strong cash position.

The number of active users registered with JobStreet.com across the region had surpassed the 13 million mark by the close of 2013. There was especially strong user growth recorded in the Philippines and Indonesia. Overall, we were able to achieve a 14.7% user database growth in 2013.

The Group invested RM10.1 million in product and technology development during the year, an increase of 34% from 2012. This continues to be a primary area of focus as investment and innovation in this area are critical to scale our business as well as provide the best possible service when benchmarked against our historical competitors and quickly emerging threats from social media. During the year, we launched Richer Job Ads which allows customers to create job postings that are more vibrant and communicate more information to users. Even with this substantially increased investment in our product and a higher quality experience for both our customers and users, it is important to note that competitors like LinkedIn invest well over RM 1 billion annually in their product and technology.

### **SALE OF THE ONLINE JOB PORTAL BUSINESS TO SEEK**

As referenced above, the online job portal market has evolved into an increasingly competitive and complex industry environment with new competitors and social media being increasingly used as a recruitment platform for candidates, employers and head hunters alike. Against this backdrop and an uncertain global economic environment, our Board has been constantly evaluating the long term growth strategy of the business.

Over the past few years, JobStreet.com, led by the present management team, has enjoyed tremendous growth. Our online job portal business has expanded from a Malaysian company into a regional firm with operations in 8 countries in the Asia-Pacific. While the business continues to deliver strong performance, we feel that we have now approached a strategic crossroad. Against an evolving global environment where competition has no physical boundaries and limited barriers to entry, JobStreet.com would need the resources and capabilities to take the next leap forward. Acquisition by a larger player like SEEK, will allow JobStreet.com's online job portal business to continue to develop market depth, deliver innovative products and ensure best-in-class services for our customers.

The sale of the online job portal business would allow the Group to immediately unlock substantial value in the business which is consistent with the Company's intent of maximizing returns to shareholders. The Board views the sale as an attractive offer for shareholders to realise the value of the business, by selling it to a larger global player and distributing the proceeds to shareholders.

SEEK is a multinational company with a global footprint as well as a presence in the region built over many years. SEEK would have sufficient financial resources, economies of scale and management depth to strategically take on the global competitive threats. SEEK has been our shareholder since 2008 and it became our single largest shareholder in 2010 with a 22% stake. As you might be aware, in the same year, SEEK acquired a 60% stake of our primary competitor, Hong Kong based JobsDB, which was subsequently increased to 100% in late 2012.

The sale price of RM1.73 billion represents an EV/EBITDA ratio of approximately 22.2 times based on the proforma consolidated EBITDA of the disposal companies of RM77.9 million for the financial year ended 31 December 2013 and a PE ratio of approximately 30.7 times based on the proforma consolidated PAT of the disposal companies of RM58.6 million for the financial year ended 31 December 2013. We believe this is a fair and attractive price for our shareholders.

After due consideration and having considered all aspects of the sale, the Board decided that acceptance of the offer from SEEK would be in the best interest of shareholders. It is with a tinge of sadness, but more than anything, a great sense of pride, that we see how the JobStreet.com job portal business has come of age, from a start-up in 1995, into a business courted by venture capitalists in 1999, to an IPO on the MESDAQ Market in 2003 and the subsequent migration to the Main Board in 2007 before being valued at RM1.73 billion for the proposed sale.

At the time of writing, you as our shareholders have approved the sale at the Extraordinary General Meeting held on 14 May 2014. The proposed sale is still pending the approval from the Competition Commission Singapore.

### **CORPORATE DEVELOPMENT**

In preparation for the proposed sale of the online job portal business to SEEK, the Group has completed the acquisition of the remaining equity interests that it does not own in JS Vietnam Holdings Pte Ltd on 17 March 2014, PT JobStreet Indonesia on 28 March 2014 and JobStreet.com Philippines, Inc on 19 May 2014. In addition, Enerpro Pte Ltd and JobStreet.com India Pvt Limited have been reorganised as direct subsidiaries of the Company. The Group's headquarters, Wisma JobStreet.com, has also been transferred to the Company on 5 March 2014. It was also unfortunate that we had to cease operations in Thailand with effect from 28 February 2014 as the proposed sale to SEEK does not include JobStreet Recruitment (Thailand) Co., Ltd. and under the terms of the proposed sale, the Group would not be allowed to engage in the online job portal business for two years after the sale.

### **GOING FORWARD**

The Company will continue to be listed and traded immediately after the sale of the online job portal business to SEEK is concluded. After the completion of the transaction, the Company will be classified as an 'affected listed issuer' under Practice Note 17 of the Listing Requirements. We will need to formulate a plan to regularise the Company's financial condition within 12 months. The Board will consider and evaluate suitable opportunities either by acquisitions or starting new businesses should they arise. Concurrently with that endeavor, the Board will also explore options to maximise returns to shareholders subsequent to the completion of the sale and this may include a sale of the remaining assets of the Company. The proceeds from such sale may be used to acquire new businesses and/or assets to regularise the Company's financial condition and/or returned to shareholders.

### **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

To ensure long term sustainability of our business, we acknowledge that we have to also take into consideration the interests of our other stakeholders – our employees, candidates 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 eventually. At JobStreet.com, we continue to subscribe to the ethos "Do Good, Do Well" where we believe success ultimately comes as we conduct ourselves as good corporate citizens and constantly serve the society that we operate in.

CSR remains embedded in the heart of our business operations as we strive to help thousands of candidates improve their lives through better careers. We have seen the negative impact of unemployment in parts of Europe and we are fortunate that the countries where we operate do not have such problems for people that have achieved tertiary education levels. In contrast, our region is faced with an increasingly tight labour market where good talent is becoming scarce. In that context, we have tried to do our part to make the recruitment process as efficient and transparent as possible. Candidates continue to post their profiles and apply for jobs for free on our website. In 2013 alone, over 1.8 million jobs from across the region were posted on JobStreet.com and matched to jobseekers. We also continued to reach out to candidates and undergraduates on the ground through our participation in career talks, industry nights, campus events and resume & career clinics. We were even invited by the main TV networks in the Philippines to talk about tips for candidates, advice on resume writing as well as job interview tips.

In August 2013, we launched our volunteer matching platform in Singapore. The motivation for setting up the platform is for JobStreet.com to be an organisation that can serve everyone in the society in line with our "Do Good, Do Well" ethos. Through this volunteer project, it is our hope to encourage the 1 million members in Singapore to contribute to society by helping the less fortunate. It is for anyone with a good heart who wishes to make a difference and do something meaningful. The volunteer matching platform is currently offered as a free public service to charities, voluntary welfare organizations and social enterprises in Singapore who wish to tap into our huge database for potential volunteers. In the Philippines, we did a fund raising for the victims of Typhoon Haiyan and donated the proceeds through the Red Cross.

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

We had also collaborated with local government and agencies to support some of their projects. For example in the Philippines, we partnered with the Philippines Overseas Employer Agency for their anti-illegal recruitment campaign and further supported the campaign by having Facebook coffee break sessions where candidates' queries can be answered through live chat. We had also participated in a project related to flood and volcano eruption affected areas with the Japanese government by conducting infrastructure development training in Central Java to compile a micro project profile for early warnings. The profile will benefit people's future preparedness in natural disasters and extreme weathers.

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.

Through our web-based recruitment management system, we also promulgate a green approach towards recruitment by eliminating the need to print hardcopies across the entire spectrum of the hiring process.

We believe that highly engaged employees are a key critical success factor for the Group. To this end, various internal communication channels ranging from employee surveys to town hall meetings 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, the Group also subscribes to a competitive, performance-based remuneration scheme, rewarding staff who had performed well. The Group also rewards staff for their loyalty upon reaching the 5<sup>th</sup> year, 10<sup>th</sup> year and 15<sup>th</sup> year of service within the Group.

### **APPRECIATION**

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

The success of the Group in 2013 and in fact, all the way back to 1995 as a startup, would not have been possible without the commitment, passion and tenacity of our employees, past and present. Everyone in the Group had along the way contributed one way or another to service millions of candidates accessing our services and to drive the Group's performance to where it is today. We hope that our team can derive deep satisfaction from knowing that their efforts have made someone's life a much better one. Go forth and continue to "Do Good, Do Well".

"One must wait until evening to see how splendid the day has been."

"A leader is best when people barely know he exists.  
Not so good when people obey and acclaim him. Worse when they despise him.  
But of a good leader, who talks little, when his work is done,  
his aim fulfilled, they will say: we did this ourselves."

"May you find what you seek."

Quotes from Will Rogers, Lao Tzu and unknown

**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 65, 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 KL City Chapter, Honorary Fellow of both 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, Board Member of the Labuan Financial Services Authority and member of the Academic Advisory Panel of the Companies Commission of Malaysia. Datuk Ali is Chairman of Privasia Technology Berhad and Board Member of Glomac Berhad and Citibank 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 including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta). 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 Working Group, 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 Force of Nature Aid Foundation; and the Advisor 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 75, 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.

Qualified as Malaysia’s first Chartered Statistician, Tan Sri Dr. Lin graduated from the University of Malaya in Singapore and Harvard University (where he received 3 degrees, including a PhD in Economics). He is also a British Chartered Scientist (London), Research Professor at Sunway University, 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.



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

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, Member of the Competition Appeal Tribunal, 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; and Senior Advisor, Association of Harvard University Alumni Clubs of Asia. In addition, he is a Trustee of the Tun Ismail Ali Foundation (PNB), Harvard Club of Malaysia Foundation, Malaysian Economic Association Foundation, Jeffrey Cheah Foundation and Program Pertukaran Fellowship Perdana Menteri Malaysia.

Tan Sri Dr. Lin advises and sits on the Boards of a number of publicly listed companies including Ancom Berhad, Genting Berhad, IGB REIT Management Sdn. Bhd., Wah Seong Corporation Berhad and Top Glove Corporation Berhad and a number of private business enterprises in Malaysia, Singapore and Indonesia.

### **Chang Mun Kee**

Executive Director, Founder and CEO

Mr. Chang Mun Kee, a Malaysian aged 49, 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 49, 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.

## PROFILE OF DIRECTORS (CONT'D)

### **Ng Kay Yip**

Non-Independent Non-Executive Director

Mr. Ng Kay Yip, a Malaysian aged 48, 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 48, 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 has worked for Deloitte & Touche and Johnson & Johnson Sdn Bhd. Since 1994, he has been with the Hotel Equatorial Group, a family business that is involved in hotels, restaurants and property where he is the Chief Commercial Officer. He also serves on the Board of Governors of the Alice Smith School in Malaysia where he is the Vice-Chair. 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 55, 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 principles and recommendations of the Malaysian Code of Corporate Governance 2012 (“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 how the Company has applied the principles of the Code and the extent that it has followed the recommendations of the Code.

## A. BOARD OF DIRECTORS

### 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 10 to 12 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.

### 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, ensuring there is an appropriate succession plan for the Directors and senior management, 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.

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,

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

employees, creditors and customers and the standard of conduct with regards to social responsibilities and the environment.

The Board further acknowledges its role in establishing a corporate culture comprising ethical conduct within the Group. Senior management and employees are guided by policies on acceptable conduct and ethics contained in the Group's employee handbook.

### **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.

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 five (5) times for the financial year ended 31 December 2013 and the summary of attendance at the Board Meetings held is as follows:

| <b>Directors</b>                     | <b>Number of Board Meetings</b> |                 |
|--------------------------------------|---------------------------------|-----------------|
|                                      | <b>Held</b>                     | <b>Attended</b> |
| Datuk Ali bin Abdul Kadir (Chairman) | 5                               | 5               |
| Tan Sri Dato' Dr. Lin See Yan        | 5                               | 5               |
| Chang Mun Kee                        | 5                               | 5               |
| Suresh A/L Thirugnanam               | 5                               | 5               |
| Ng Kay Yip                           | 5                               | 5               |
| Lim Chao Li                          | 5                               | 5               |
| Yang Chi-Kuan                        | 5                               | 4               |

### **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 candidates for



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

appointment to the Board and Board Committees. In recommending candidates for appointment to the Board, the Committee assesses the candidates' background, experience, competencies, existing commitments and the ability to contribute and add diversity to the Board. On appointment, Non-Executive Directors are briefed on the Group's business and the competitive environments in which it operates. The Company will also arrange for the newly appointed Director to attend the Mandatory Accreditation Programme.

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 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. The Nomination Committee also noted Recommendation 3.2 of the Code which states that the tenure of an independent director should not exceed a cumulative term of nine years and upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. In addition, Recommendation 3.3 of the Code states that the board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years. Datuk Ali bin Abdul Kadir and Tan Sri Dato' Dr Lin See Yan have served as Independent Non-Executive Directors on the Board since 2004. The Nomination Committee, having conducted the performance evaluation and assessment of Datuk Ali Kadir and Tan Sri Dato' Dr. Lin, recommended that they continue to serve as Independent Non-Executive Directors of the Company and for Recommendations 3.2 and 3.3 of the Code not to be adopted. This was also on the basis that the Nomination Committee was satisfied that both Datuk Ali and Tan Sri Dr. Lin have met the independence guidelines as set out in the Listing Requirements and that their objective judgments have not been compromised by their long tenures on the Board.

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, Tan Sri Dato' Dr. Lin See Yan, Datuk Ali bin Abdul Kadir and Mr Ng Kay Yip, who will seek re-appointment and re-election at the forthcoming 10th Annual General Meeting.

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

### **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

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

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 will take into consideration the responsibility and time commitments based on the number of expected Board meetings, special meetings and the time required for reading Board and other papers, whether as Independent Directors or otherwise, and 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 20 to the financial statements:

|                               | <b>Executive<br/>Directors<br/>RM'000</b> | <b>Non-Executive<br/>Directors<br/>RM'000</b> |
|-------------------------------|---|---|
| Salaries and other emoluments | 1,519                                     | -   |
| Fees                          | -   | 218   |
| <b>Total</b>                  | <b>1,519</b>                              | <b>218</b>                                    |

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

| <b>Range of Remuneration</b> | <b>No. of Directors</b> |                      |
|------------------------------|-------------------------|----------------------|
|                              | <b>Executive</b>        | <b>Non-Executive</b> |
| < RM50,000                   | -                       | 3                    |
| RM 50,001 – RM 100,000       | -                       | 2                    |
| RM 650,001 – RM 700,000      | 1                       | -                    |
| RM 800,001 – RM 850,000      | 1                       | -                    |
| <b>Total</b>                 | <b>2</b>                | <b>5</b>             |

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.

### **Directors' Training**

All Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by Bursatra Sdn Bhd in compliance with the Listing Requirements.

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

1. World Capital Market Symposium
2. Malaysian Accounting Students Convention 2013
3. Sector Focused Careers Fair @ University of Malaya
4. Selection, Dynamics and Performance of a Board by Singapore Corporate Awards & Singapore Exchange
5. Taking Your Organization to the Next Level in Governance and Value by SGX Singapore
6. Is Self-Regulation in Corporate Governance Achievable? at the Asian World Summit's 5<sup>th</sup> Annual Corporate Governance Summit
7. Asia, Global Hearing & Cheap Money at PKF Asia Pacific Partners Meeting
8. Embracing Risks for Long Term Corporate Success – Boosting Your Risk Governance by PNB Investment Institute Sdn Bhd

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

9. Top Glove Leaders' Summit
10. World Economic Scenario: Prospects in a World of Slow Growth & Zero Interest Rates at the 15<sup>th</sup> International Surveyors' Congress by the Royal Institute of Surveyors Malaysia and the Royal Institution of Chartered Surveyors
11. Growth in Emerging Asia Will Slacken: What Are We To Do? by Mutiara Community Forum
12. Quantitative Easing and Singapore's Housing Market by Tecity Investment & Research of Singapore
13. Corporate Governance: From Form to Value Creation by the Singapore Institute of Directors
14. Regional Business Outlook: What's Next? at the MICPA-Bursa Malaysia Business Forum 2013
15. Bursa Malaysia Sustainability Training for Directors and Practitioners
16. Malaysia 2013/14 Budget by BDO Tax Services Sdn Bhd
17. UBS Seminar on Investment
18. HSBC Seminar on Investment
19. Linking Sustainable Forest Product Supply Chains Through Asia at the PEFC Stakeholder Dialogue
20. Production in the Innovation Economy by Richard M. Locke and Rachel L. We Ilhausen (The MIT Task Force on Production and Innovation)
21. Organisational Strategy in Service Industry in Asia
22. 2 Page Project Management
23. Mid-Year Performance Check-in
24. Hiring for Greatness
25. Corporate Governance & Securities Loan
26. Global Entrepreneurship Summit

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.

### **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 22 to 28 of this Annual Report), the Remuneration Committee and the ESOS Committee.

## **B. SHAREHOLDERS AND STAKEHOLDERS**

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 and stakeholders such as potential investors, analysts, customers and members of the public, with the intention of presenting as clear and complete picture of the Group's performance as possible.

Shareholders and stakeholders are kept abreast on the financial performance and major developments in the Group mainly through the following means of communication:

- Quarterly and annual reports
- Announcements made to Bursa Malaysia Securities Berhad
- The Company's general meetings
- The Group's website, [www.jobstreet.com](http://www.jobstreet.com)

### **Corporate Disclosure Policy**

The Group strives to maintain its corporate credibility and instill investor confidence in the Group by practicing a structured approach in corporate disclosure and investor relations activities. Subsequent to the financial year under review, the Group has formalised a Corporate Disclosure Policy which sets out the principles of communication and disclosure, handling of material and confidential information, step-by-step disclosure process, various mediums of communication approved by the Board and policies and procedures with regards to the handling of material information, confidential information, rumours and reports and forward-looking information.

### **Investor Relations**

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.

### **Annual General Meeting (AGM)**

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

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

### **The Group's Website, [www.jobstreet.com](http://www.jobstreet.com)**

The Group's website, [www.jobstreet.com](http://www.jobstreet.com), provides an alternative communications avenue, targeted at presenting an overview of the Group's business, management, operations, governance as well as updates on financial performance not just to shareholders but all other stakeholders comprising jobseekers, customers, employees and members of the public. The website is updated continually. In addition, the Group's website provides a facility for shareholders and stakeholders to register themselves to receive email alerts of new information posted on the website.

## **C. 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 121 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.



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### **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](mailto: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 22 to 28 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.

## **D. OTHER INFORMATION**

The following information provided is in respect of the financial year ended 31 December 2013.

### **Share Buybacks**

The Company had obtained its shareholders' approval at the Company's Annual General Meeting held on 23 May 2013 in respect of the share buy-back of up to 10% of the issued and paid up share capital of the Company.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

During the financial year under review, the Company had bought back from the open market 406,800 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) |
|---------------|----------------|--------------------------|-------------------------|-------------------------|-------------------------|
| February 2013 | 179,000        | 433,214                  | 2.40                    | 2.45                    | 2.41                    |
| April 2013    | 129,800        | 396,775                  | 2.99                    | 3.18                    | 3.04                    |
| May 2013      | 98,000         | 314,835                  | 3.20                    | 3.20                    | 3.20                    |
| <b>Total</b>  | <b>406,800</b> | <b>1,144,824</b>         | <b>2.40</b>             | <b>3.20</b>             | <b>2.80</b>             |

\* Including transaction costs

In addition to the above-mentioned, subsequent to the share split involving the sub-division of every one ordinary share of RM0.20 each into two ordinary shares of RM0.10 each ("Share Split"), the Company had cancelled a total of 813,600 ordinary shares of RM0.10 each retained as treasury shares during the financial year ended 31 December 2013.

### 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 RM0.10 each |                    |                   |
|---|--|--------------------|-------------------|
|   | Directors and Chief Executives                     | Eligible Employees | Total             |
| Total number of options granted           | 27,700,000   | 63,529,000         | 91,229,000        |
| Total number of options exercised/ lapsed | (22,860,000)                                       | (51,172,560)       | (74,032,560)      |
| <b>Total options outstanding</b>          | <b>4,840,000</b>                                   | <b>12,356,440</b>  | <b>17,196,440</b> |

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, 30.4% 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 RM0.10 each and the option price pursuant to the Company's ESOS is set out in the Directors' Report on page 36 of the Annual Report.

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 RM0.10 each |                |          |                |                |
|------------------------------|---|----------------|----------|----------------|----------------|
|                              | At 1.1.2013#  | Share Split^   | Granted  | Exercised      | At 31.12.2013  |
| Datuk Ali bin Abdul Kadir    | 210,000   | 210,000        | -        | 140,000        | 280,000        |
| Tan Sri Dato' Dr Lin See Yan | 210,000   | 210,000        | -        | 140,000        | 280,000        |
| <b>Total</b>                 | <b>420,000</b>  | <b>420,000</b> | <b>-</b> | <b>280,000</b> | <b>560,000</b> |

# Number of options over ordinary shares of RM0.20 each

^ Adjustment arising from the Share Split

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

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

### **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 and its affiliates by the Group for the financial year ended 31 December 2013 was RM362,000.

### **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.

### **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: -

| <b>Committee Members</b>                | <b>Number of meetings attended during ARC Members' tenure in office</b> |
|---|---|
| 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 three times 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.

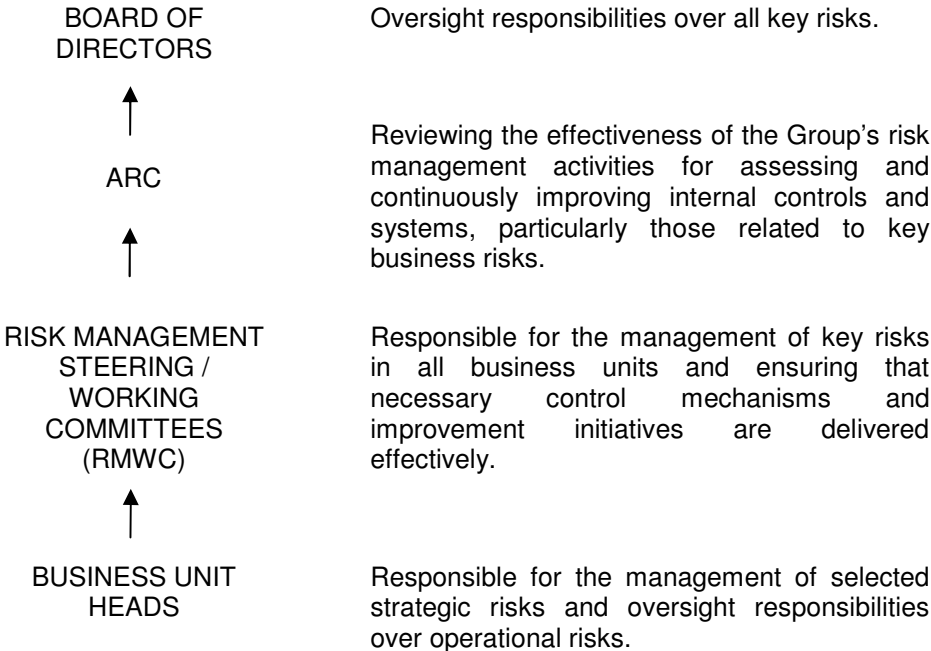
The Company must ensure that other directors and employees attend any particular ARC meeting only at the ARC's invitation, specific to the relevant meeting.

### 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 Group's corporate governance practices with reference to the Malaysian Code of Corporate Governance 2012.;
- (c) Statement on the Board's responsibility for preparing the annual audited financial statements; and
- (d) 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, risk management, economy, taxation 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) Review of the Group's risk and internal control processes;
- c) Procurement, payment and accounts payable functions of JobStreet.com Pte Ltd;
- d) Information Technology general controls; and
- e) Revenue and invoicing functions of JobStreet.com Sdn Bhd.

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 ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement on risk management and internal control has been prepared in compliance to the Main Market Listing Requirements of Bursa Securities and with reference to the “Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Companies” which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

## BOARD RESPONSIBILITIES

The Board recognizes the importance of a sound system of internal control and risk management to safeguard shareholders’ investment and the Group’s assets. The Board has overall responsibility for the Group’s system of risk management and 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.

## INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

During the year, the Group monitored significant risks and risk mitigation strategies on an ongoing basis through its Enterprise Risk Management steering committee, 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 and risk management 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;
- Segregation of duties and limits of authority are practiced to ensure accountability and responsibility;
- Clear, formalised and documented internal policies and procedures are in place to ensure compliance with internal controls and relevant laws and regulations;
- Employee handbook which contains, amongst others, the Company’s policies on acceptable conduct and ethics;



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

- Quarterly internal audits which focuses on compliance with policies and procedures and evaluates the effectiveness and efficiency of the Group's internal control system;
- Whistle-blowing policy 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.

### **INTERNAL AUDIT REVIEW**

The Audit and Risk Committee is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control and risk management. 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. In addition, subsequent to the year under review, the Internal Auditors performed a review of the Group's risk management and internal control processes and presented its findings and recommendations for improvement to the Audit and Risk Committee. No major deficiencies were noted.

### **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.

### **CONCLUSION**

The Board is satisfied that the system of internal control and risk management that is in place for the year under review and up to the date of approval of this Statement, given the current size of the Group's operations, industry dynamics and competitive landscape, is adequate and effective.

The Board has received written assurances from the CEO and CFO as well as the Head of Internal Audit and the Group's Risk Management Steering Committee that the Group's risk management and internal control system is in place and operating adequately and effectively, in all material aspects, based on the risk management approach adopted by the Group.

This statement has been made in accordance with the resolution passed in the Board of Directors' meeting held on 20 May 2014.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

for the year ended 31 December 2013

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 2013.

## 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 4 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## RESULTS

|                                      | Group<br>RM       | Company<br>RM     |
|--------------------------------------|-------------------|-------------------|
| Profit for the year attributable to: |                   |                   |
| Owners of the Company                | 61,415,450        | 87,417,178        |
| Non-controlling interests            | 4,567,010         | -                 |
|                                      | <u>65,982,460</u> | <u>87,417,178</u> |

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

## DIVIDENDS

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

- i) a fourth interim single tier dividend of 1.75 sen per ordinary share of RM0.20 each amounting to RM5,518,720 in respect of the financial year ended 31 December 2012 on 29 March 2013;
- ii) a final single tier dividend of 2.75 sen per ordinary share of RM0.20 each amounting to RM8,703,690 in respect of the financial year ended 31 December 2012 on 28 June 2013;
- iii) a first interim single tier dividend of 3.50 sen per ordinary share of RM0.20 each amounting to RM11,077,425 in respect of the financial year ended 31 December 2013 on 28 June 2013;
- iv) a second interim single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM11,087,525 in respect of the financial year ended 31 December 2013 on 27 September 2013;
- v) a third interim single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM11,114,685 in respect of the financial year ended 31 December 2013 on 26 December 2013; and
- vi) a fourth interim single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM11,181,658 in respect of the financial year ended 31 December 2013 which was declared on 19 February 2014 and paid on 27 March 2014. 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 ordinary share of RM0.10 each amounting to RM3,175,624 in respect of the financial year ended 31 December 2013. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2013, 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

**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 financial 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:

|                                  | Number of ordinary shares of RM0.10 each |                  |                                   |          |                  |
|----------------------------------|--|------------------|-----------------------------------|----------|------------------|
|                                  | At<br>1.1.2013 #                         | Share<br>split ^ | Acquired/<br>Options<br>exercised | Disposed | At<br>31.12.2013 |
| <b>Interests in the Company:</b> |  |                  |                                   |          |                  |
| Datuk Ali bin Abdul Kadir        | 1,640,000                                | 1,640,000        | 140,000                           | -        | 3,420,000        |
| Tan Sri Dato' Dr. Lin See Yan    | 3,240,000                                | 3,240,000        | 140,000                           | -        | 6,620,000        |
| Lim Chao Li                      | 24,283,065                               | 24,283,065       | -                                 | -        | 48,566,130       |
| Ng Kay Yip                       | 26,173,310                               | 26,173,310       | -                                 | -        | 52,346,620       |
| Chang Mun Kee                    | 31,300,377                               | 31,300,377       | 1,200,000                         | -        | 63,800,754       |
| Suresh A/L Thirugnanam           | 12,445,410                               | 12,445,410       | 80,000                            | -        | 24,970,820       |

|  | Nominal<br>value<br>PHP | Number of ordinary shares |          |          | At<br>31.12.2013 |
|--|-------------------------|---------------------------|----------|----------|------------------|
|  |                         | At<br>1.1.2013            | Acquired | Disposed |                  |
| <b>Interests in JobStreet.com<br/>Philippines, Inc.:</b> |                         |                           |          |          |                  |
| Chang Mun Kee  | 1.00                    | 1*                        | -        | -        | 1*               |

|  | Nominal<br>value<br>HKD | Number of ordinary shares |          |          | At<br>31.12.2013 |
|--|-------------------------|---------------------------|----------|----------|------------------|
|  |                         | At<br>1.1.2013            | Acquired | Disposed |                  |
| <b>Interests in JobStreet.com<br/>Limited:</b> |                         |                           |          |          |                  |
| Chang Mun Kee                                  | 1.00                    | 1*                        | -        | -        | 1*               |

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

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS (CONT'D)

|   | Number of ordinary shares of RM0.10 each |                  |          |          |                  |
|---|--|------------------|----------|----------|------------------|
|   | At<br>1.1.2013 #                         | Share<br>split ^ | Acquired | Disposed | At<br>31.12.2013 |
| <b>Deemed interests in the Company:</b> |  |                  |          |          |                  |
| Datuk Ali bin Abdul Kadir               | 105,000                                  | 105,000          | -        | -        | 210,000          |
| Chang Mun Kee                           | 5,000,000                                | 5,000,000        | -        | -        | 10,000,000       |

|                                  | Number of options over ordinary shares of RM0.10 each |                  |         |             |                  |
|----------------------------------|---|------------------|---------|-------------|------------------|
|                                  | At<br>1.1.2013 #                                      | Share<br>split ^ | Granted | Exercised   | At<br>31.12.2013 |
| <b>Interests in the Company:</b> |   |                  |         |             |                  |
| Datuk Ali bin Abdul Kadir        | 210,000   | 210,000          | -       | (140,000)   | 280,000          |
| Tan Sri Dato' Dr. Lin See Yan    | 210,000   | 210,000          | -       | (140,000)   | 280,000          |
| Chang Mun Kee                    | 1,000,000   | 1,000,000        | -       | (1,200,000) | 800,000          |
| Suresh A/L Thirugnanam           | 620,000   | 620,000          | -       | (80,000)    | 1,160,000        |

The other Director holding office at 31 December 2013 did not have any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

# Number of ordinary shares/options over ordinary shares of RM0.20 each.

^ As a result of the subdivision of every ordinary share of RM0.20 each into two ordinary shares of RM0.10 each which was completed on 5 September 2013.

### 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 corporations) by reason of a contract made by the Company or a related corporation 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 issue of the Employee Share Option Scheme.

### ISSUE OF SHARES AND DEBENTURES

On 5 September 2013, the Company completed the subdivision of every one ordinary share of RM0.20 each into two ordinary shares of RM0.10 each. On even date, 317,193,230 ordinary shares of RM0.20 each were subdivided into 634,386,460 ordinary shares of RM0.10 each.

### ISSUE OF SHARES AND DEBENTURES (CONT'D)

Prior to the subdivision of one ordinary share of RM0.20 each into two ordinary shares of RM0.10 each, 2,166,634 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 RM0.97 per ordinary share.

Subsequently 1,552,000 new ordinary shares of RM0.10 each were issued for cash arising from the exercise of Employee Share Options at a weighted average exercise price of approximately RM0.65 per ordinary share.

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year except as disclosed above and in the share buy-back note.

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.
- 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.

**OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)**

**Employee Share Option Scheme (cont'd)**

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 RM0.10 (2012: 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 RM0.10 each and the option prices are as follows:

| <i>Number of options over ordinary shares of RM0.10 each<br/>( '000)</i> |                       |                              |                |                              |               |                      |                              |                              |
|--|-----------------------|------------------------------|----------------|------------------------------|---------------|----------------------|------------------------------|------------------------------|
| <b>Date of offer</b>   | <b>Option price *</b> | <b>Balance at 1.1.2013 #</b> | <b>Granted</b> | <b>Exercised<sup>@</sup></b> | <b>Lapsed</b> | <b>Share split ^</b> | <b>Exercised<sup>©</sup></b> | <b>Balance at 31.12.2013</b> |
| 29.11.2004   | RM0.18                | 958                          | -              | (958)                        | -             | -                    | -                            | -                            |
| 23.02.2006   | RM0.45                | 241                          | -              | (17)                         | -             | 224                  | (18)                         | 430                          |
| 28.03.2007   | RM0.54                | 195                          | -              | -                            | -             | 195                  | -                            | 390                          |
| 20.05.2008   | RM0.77                | 286                          | -              | (8)                          | -             | 278                  | -                            | 556                          |
| 11.01.2010   | RM0.66                | 9,786                        | -              | (959)                        | (300)         | 8,527                | (1,534)                      | 15,520                       |
| 09.01.2013   | RM1.05                | -                            | 1,050          | (225)                        | (675)         | 150                  | -                            | 300                          |
|  |                       | 11,466                       | 1,050          | (2,167)                      | (975)         | 9,374                | (1,552)                      | 17,196                       |

\* The option price is adjusted to incorporate the effect of the share split.

# Number of options over ordinary shares of RM0.20 each.

@ ESOS options exercised before the share split.

© ESOS options exercised after the share split.

^ The subdivision of every ordinary share of RM0.20 each into two ordinary shares of RM0.10 each which was completed on 5 September 2013.

The names of the persons to whom options have been granted during the financial year and details of their holdings as required by Section 169(11) of the Companies Act, 1965 are as follows:

| <b>Name of option holders</b> | <b>No. of share options</b> |
|-------------------------------|-----------------------------|
| Anthony Ung                   | 900,000                     |
| Ong Shien Jin                 | 150,000                     |



## SHARE BUY-BACK

On 23 May 2013, 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, 406,800 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 RM2.80 per ordinary share. The total consideration paid for the share buy-back of JobStreet Shares by the Company during the financial year was RM1,139,646 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.

Subsequent to the share split, on 29 November 2013 the Company cancelled all its 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 RM81,360.

As at 31 December 2013, there were no treasury shares held.

## OTHER STATUTORY INFORMATION

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) 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 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 2013 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)

### **SIGNIFICANT EVENTS DURING THE YEAR**

Significant events during the year are as disclosed in Note 31 to the financial statements.

### **SUBSEQUENT EVENTS**

Subsequent events are as disclosed in Note 32 to the financial statements.

### **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**

Date: 30 April 2014

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2013

|   |      | Group              |                    | Company            |                    |
|---|------|--------------------|--------------------|--------------------|--------------------|
|   | Note | 2013<br>RM         | 2012<br>RM         | 2013<br>RM         | 2012<br>RM         |
| <b>Assets</b>   |      |                    |                    |                    |                    |
| Property and equipment                                    | 3    | 14,747,516         | 20,204,686         | 420,479            | 439,488            |
| Investments in subsidiaries                               | 4    | -                  | -                  | 346,530            | 20,737,849         |
| Investments in associates                                 | 5    | 91,285,688         | 86,064,909         | 83,744,287         | 83,744,287         |
| Investment in a joint venture                             | 6    | -                  | 69,428             | -                  | -                  |
| Other investments   | 7    | 55,995,659         | 37,896,668         | 55,995,659         | 37,896,668         |
| Deferred tax assets                                       | 8    | -                  | 4,261,301          | -                  | -                  |
| <b>Total non-current assets</b>                           |      | <b>162,028,863</b> | <b>148,496,992</b> | <b>140,506,955</b> | <b>142,818,292</b> |
| Other investments   | 7    | 12,124,811         | 35,612,935         | 12,124,811         | 4,712,138          |
| Current tax assets  |      | -                  | 1,369,000          | -                  | -                  |
| Trade and other receivables                               | 9    | 1,131,263          | 15,867,391         | 81,865,442         | 24,198,004         |
| Prepayments and other assets                              |      | 258,991            | 1,447,866          | 35,501             | 4,350              |
| Cash and cash equivalents                                 | 10   | 3,648,245          | 71,859,885         | 1,023,850          | 1,320,568          |
|   |      | 17,163,310         | 126,157,077        | 95,049,604         | 30,235,060         |
| Assets classified as held for sale                        | 11   | 136,015,570        | -                  | 20,481,542         | -                  |
| <b>Total current assets</b>                               |      | <b>153,178,880</b> | <b>126,157,077</b> | <b>115,531,146</b> | <b>30,235,060</b>  |
| <b>Total assets</b>                                       |      | <b>315,207,743</b> | <b>274,654,069</b> | <b>256,038,101</b> | <b>173,053,352</b> |
| <b>Equity</b>   |      |                    |                    |                    |                    |
| Share capital   |      | 63,512,486         | 63,005,319         | 63,512,486         | 63,005,319         |
| Reserves  |      | 185,839,998        | 151,636,412        | 163,300,412        | 108,106,851        |
| <b>Total equity attributable to owners of the Company</b> | 12   | <b>249,352,484</b> | <b>214,641,731</b> | <b>226,812,898</b> | <b>171,112,170</b> |
| <b>Non-controlling interests</b>                          |      | <b>2,370,821</b>   | <b>1,639,127</b>   | <b>-</b>           | <b>-</b>           |
| <b>Total equity</b>                                       |      | <b>251,723,305</b> | <b>216,280,858</b> | <b>226,812,898</b> | <b>171,112,170</b> |
| <b>Liabilities</b>  |      |                    |                    |                    |                    |
| Loan and borrowing  | 13   | -                  | 49,982             | -                  | -                  |
| Deferred tax liabilities                                  | 8    | -                  | 26,936             | -                  | -                  |
| <b>Total non-current liabilities</b>                      |      | <b>-</b>           | <b>76,918</b>      | <b>-</b>           | <b>-</b>           |
| Loan and borrowing  | 13   | 43,945             | 148,238            | -                  | -                  |
| Deferred income   | 14   | 206,417            | 39,334,948         | 67,500             | 12,693             |
| Trade and other payables                                  | 15   | 863,464            | 15,787,011         | 29,157,203         | 1,924,588          |
| Current tax payables                                      |      | 6,134              | 3,026,096          | 500                | 3,901              |
|   |      | 1,119,960          | 58,296,293         | 29,225,203         | 1,941,182          |
| Liabilities classified as held for sale                   | 11   | 62,364,478         | -                  | -                  | -                  |
| <b>Total current liabilities</b>                          |      | <b>63,484,438</b>  | <b>58,296,293</b>  | <b>29,225,203</b>  | <b>1,941,182</b>   |
| <b>Total liabilities</b>                                  |      | <b>63,484,438</b>  | <b>58,373,211</b>  | <b>29,225,203</b>  | <b>1,941,182</b>   |
| <b>Total equity and liabilities</b>                       |      | <b>315,207,743</b> | <b>274,654,069</b> | <b>256,038,101</b> | <b>173,053,352</b> |

The notes on pages 49 to 120 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2013

|   |      | Group             |                        | Company           |                   |
|---|------|-------------------|------------------------|-------------------|-------------------|
|   | Note | 2013<br>RM        | 2012<br>RM<br>Restated | 2013<br>RM        | 2012<br>RM        |
| <b>Continuing operations</b>  |      |                   |                        |                   |                   |
| Revenue   | 18   | 8,560,273         | 12,473,060             | 90,044,987        | 39,736,734        |
| Other operating income  |      | 44,402            | 11,485                 | 50,400            | 50,400            |
| Advertising expenses  |      | (74,250)          | (13,250)               | (74,250)          | (8,000)           |
| Contract and outsourcing cost   |      | (291,600)         | (534,041)              | -                 | -                 |
| Depreciation of property and equipment  |      | (122,921)         | (122,763)              | (19,009)          | (19,009)          |
| Rental of office and equipment  |      | (179,647)         | (206,647)              | (1,800)           | (2,010)           |
| Staff costs   | 21   | (1,899,086)       | (2,896,643)            | (128,547)         | (228,023)         |
| Telecommunication expenses  |      | (53,375)          | (78,189)               | (1,152)           | (407)             |
| Travelling expenses   |      | (57,246)          | (168,105)              | (314)             | (112)             |
| Other operating expenses  |      | (2,090,601)       | (3,430,428)            | (1,241,507)       | (1,219,513)       |
| <b>Results from operating activities</b>  |      | <b>3,835,949</b>  | <b>5,034,479</b>       | <b>88,628,808</b> | <b>38,310,060</b> |
| Interest income   |      | 121,085           | 224,226                | 52,051            | 105,075           |
| Impairment loss on investment in a joint venture                                |      | -                 | -                      | -                 | (3,316,465)       |
| Finance costs   |      | (2,679)           | (7,237)                | -                 | -                 |
| (Loss)/Gain on changes of interest in an associate                              |      | (1,678,516)       | 931,038                | -                 | -                 |
| (Loss)/Gain on financial assets classified as fair value through profit or loss |      | (860,148)         | 101,000                | (860,148)         | 101,000           |
| Reversal of impairment loss on investment in an associate                       |      | -                 | 4,100,000              | -                 | 4,100,000         |
| Share of profit of equity accounted associates, net of tax                      |      | 6,302,362         | 4,345,896              | -                 | -                 |
| Share of loss of a joint venture, net of tax                                    |      | (70,176)          | (1,284,507)            | -                 | -                 |
| <b>Profit before tax</b>  | 19   | <b>7,647,877</b>  | <b>13,444,895</b>      | <b>87,820,711</b> | <b>39,299,670</b> |
| Tax expense   | 22   | (409,376)         | (634,185)              | (403,533)         | (627,236)         |
| <b>Profit from continuing operations</b>  |      | <b>7,238,501</b>  | <b>12,810,710</b>      | <b>87,417,178</b> | <b>38,672,434</b> |
| <b>Discontinued operations</b>  |      |                   |                        |                   |                   |
| Profit from discontinued operations, net of tax                                 | 17   | 58,743,959        | 48,615,175             | -                 | -                 |
| <b>Profit for the year</b>  |      | <b>65,982,460</b> | <b>61,425,885</b>      | <b>87,417,178</b> | <b>38,672,434</b> |

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2013 (cont'd)

|  | Note | Group      |                        | Company     |            |
|--|------|------------|------------------------|-------------|------------|
|  |      | 2013<br>RM | 2012<br>RM<br>Restated | 2013<br>RM  | 2012<br>RM |
| <b>Profit for the year</b>   |      | 65,982,460 | 61,425,885             | 87,417,178  | 38,672,434 |
| <b>Other comprehensive income,<br/>net of tax</b>  |      |            |                        |             |            |
| <b>Items that are or may be reclassified<br/>subsequently to profit or loss</b>                                |      |            |                        |             |            |
| Foreign currency translation<br>differences for foreign operations   |      | 452,601    | 860,204                | -           | -          |
| Fair value of available-for-sale<br>financial assets   |      | 13,269,000 | 2,472,000              | 13,269,000  | 2,472,000  |
| Share of gain of equity accounted<br>associates  |      | 4,411,960  | -                      | -           | -          |
| Share of gain of equity accounted<br>joint venture   |      | 748        | -                      | -           | -          |
| <b>Total other comprehensive income<br/>for the year, net of tax</b>   |      | 18,134,309 | 3,332,204              | 13,269,000  | 2,472,000  |
| <b>Total comprehensive income for<br/>the year</b>   |      | 84,116,769 | 64,758,089             | 100,686,178 | 41,144,434 |
| <b>Profit attributable to:</b>   |      |            |                        |             |            |
| Owners of the Company  |      | 61,415,450 | 58,331,374             | 87,417,178  | 38,672,434 |
| Non-controlling interests  |      | 4,567,010  | 3,094,511              | -           | -          |
| <b>Profit for the year</b>   |      | 65,982,460 | 61,425,885             | 87,417,178  | 38,672,434 |
| <b>Basic earnings per ordinary share<br/>based on profit attributable to<br/>owners of the Company (sen)</b>   | 23   |            |                        |             |            |
| from continuing operations   |      | 1.14       | 2.00 <sup>*</sup>      |             |            |
| from discontinued operations   |      | 8.57       | 7.11 <sup>*</sup>      |             |            |
|  |      | 9.71       | 9.11 <sup>*</sup>      |             |            |
| <b>Diluted earnings per ordinary<br/>share based on profit attributable<br/>to owners of the Company (sen)</b> | 23   |            |                        |             |            |
| from continuing operations   |      | 1.13       | 1.97 <sup>*</sup>      |             |            |
| from discontinued operations   |      | 8.42       | 6.99 <sup>*</sup>      |             |            |
|  |      | 9.55       | 8.96 <sup>*</sup>      |             |            |
| <b>Total comprehensive income<br/>attributable to:</b>   |      |            |                        |             |            |
| Owners of the Company  |      | 79,696,203 | 61,617,712             | 100,686,178 | 41,144,434 |
| Non-controlling interests  |      | 4,420,566  | 3,140,377              | -           | -          |
| <b>Total comprehensive income<br/>for the year</b>   |      | 84,116,769 | 64,758,089             | 100,686,178 | 41,144,434 |

<sup>\*</sup> The earnings per share for 2012 has been restated to account for the effects of the share subdivision into two ordinary shares of RM0.10 each for every one ordinary share of RM0.20 each in the Company as mentioned in Note 12.

The notes on pages 49 to 120 are an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2013

| Group  | Note | Attributable to owners of the Company |                  |                    |                               |                        |                       |                         |                    | Total RM             | Non-controlling interests RM | Total equity RM |              |
|--|------|---------------------------------------|------------------|--------------------|-------------------------------|------------------------|-----------------------|-------------------------|--------------------|----------------------|------------------------------|-----------------|--------------|
|  |      | Non-distributable                     |                  |                    |                               |                        | Distributable         |                         |                    |                      |                              |                 |              |
|  |      | 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 |                              |                 |              |
| <b>At 1 January 2012</b>   |      | 64,017,580                            | 5,293,869        | 320,142            | 444,300                       | (683,333)              | 10,093,000            | 1,714,963               | -                  | 107,098,359          | 188,298,880                  | 1,459,148       | 189,758,028  |
| Foreign currency translation differences for foreign operations    |      | -                                     | -                | -                  | -                             | 814,338                | -                     | -                       | -                  | -                    | 814,338                      | 45,866          | 860,204      |
| Fair value of available-for-sale financial assets                  |      | -                                     | -                | -                  | -                             | -                      | 2,472,000             | -                       | -                  | -                    | 2,472,000                    | -               | 2,472,000    |
| Total other comprehensive income for the year                      |      | -                                     | -                | -                  | -                             | 814,338                | 2,472,000             | -                       | -                  | -                    | 3,286,338                    | 45,866          | 3,332,204    |
| Profit for the year  |      | -                                     | -                | -                  | -                             | -                      | -                     | -                       | -                  | 58,331,374           | 58,331,374                   | 3,094,511       | 61,425,885   |
| <b>Total comprehensive income for the year</b>                     |      | -                                     | -                | -                  | -                             | 814,338                | 2,472,000             | -                       | -                  | 58,331,374           | 61,617,712                   | 3,140,377       | 64,758,089   |
| <i>Contributions by and distributions to owners of the Company</i> |      |                                       |                  |                    |                               |                        |                       |                         |                    |                      |                              |                 |              |
| Share options exercised  | 12   | 250,799                               | 815,241          | -                  | -                             | -                      | -                     | -                       | -                  | -                    | 1,066,040                    | -               | 1,066,040    |
| Treasury shares acquired   | 12   | -                                     | -                | -                  | -                             | -                      | -                     | -                       | (14,465,208)       | -                    | (14,465,208)                 | -               | (14,465,208) |
| Share-based payments   |      | -                                     | -                | -                  | -                             | -                      | -                     | 531,020                 | -                  | -                    | 531,020                      | -               | 531,020      |
| Dividends  | 24   | -                                     | -                | -                  | -                             | -                      | -                     | -                       | -                  | (22,406,713)         | (22,406,713)                 | (2,960,398)     | (25,367,111) |
| <b>Total transactions with owners of the Company</b>               |      | 250,799                               | 815,241          | -                  | -                             | -                      | -                     | 531,020                 | (14,465,208)       | (22,406,713)         | (35,274,861)                 | (2,960,398)     | (38,235,259) |
| Transfer to share premium for share options exercised              |      | -                                     | 217,956          | -                  | -                             | -                      | -                     | (217,956)               | -                  | -                    | -                            | -               | -            |
| Transfer to retained earnings for share options lapsed             |      | -                                     | -                | -                  | -                             | -                      | -                     | (74,408)                | -                  | 74,408               | -                            | -               | -            |
| Cancellation of treasury shares                                    | 12   | (1,263,060)                           | (6,327,066)      | -                  | 1,263,060                     | -                      | -                     | -                       | 14,465,208         | (8,138,142)          | -                            | -               | -            |
| <b>At 31 December 2012</b>   |      | 63,005,319                            | -                | 320,142            | 1,707,360                     | 131,005                | 12,565,000            | 1,953,619               | -                  | 134,959,286          | 214,641,731                  | 1,639,127       | 216,280,858  |
|  |      | Note 12                               | Note 12          | Note 12            | Note 12                       | Note 12                | Note 12               | Note 12                 | Note 12            |                      |                              |                 |              |

## STATEMENTS OF CHANGES IN EQUITY (CONT'D)

| Group   | Note | Attributable to owners of the Company |                  |                    |                               |                        |                       |                         |                    |                      |              |                              | Total equity RM |
|---|------|---------------------------------------|------------------|--------------------|-------------------------------|------------------------|-----------------------|-------------------------|--------------------|----------------------|--------------|------------------------------|-----------------|
|   |      | Non-distributable                     |                  |                    |                               |                        |                       | Distributable           |                    |                      |              | Non-controlling interests 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     |                              |                 |
| <b>At 31 December 2012/<br/>1 January 2013</b>                        |      | 63,005,319                            | -                | 320,142            | 1,707,360                     | 131,005                | 12,565,000            | 1,953,619               | -                  | 134,959,286          | 214,641,731  | 1,639,127                    | 216,280,858     |
| Foreign currency translation differences for foreign operations       |      | -                                     | -                | -                  | -                             | 599,045                | -                     | -                       | -                  | -                    | 599,045      | (146,444)                    | 452,601         |
| Fair value of available-for-sale financial assets                     |      | -                                     | -                | -                  | -                             | -                      | 13,269,000            | -                       | -                  | -                    | 13,269,000   | -                            | 13,269,000      |
| Share of other comprehensive income of equity accounted associates    |      | -                                     | -                | 1,035,143          | -                             | 3,376,817              | -                     | -                       | -                  | -                    | 4,411,960    | -                            | 4,411,960       |
| Share of other comprehensive income of equity accounted joint venture |      | -                                     | -                | -                  | -                             | 748                    | -                     | -                       | -                  | -                    | 748          | -                            | 748             |
| <b>Total other comprehensive income for the year</b>                  |      | -                                     | -                | 1,035,143          | -                             | 3,976,610              | 13,269,000            | -                       | -                  | -                    | 18,280,753   | (146,444)                    | 18,134,309      |
| <b>Profit for the year</b>  |      | -                                     | -                | -                  | -                             | -                      | -                     | -                       | -                  | 61,415,450           | 61,415,450   | 4,567,010                    | 65,982,460      |
| <b>Total comprehensive income for the year</b>                        |      | -                                     | -                | 1,035,143          | -                             | 3,976,610              | 13,269,000            | -                       | -                  | 61,415,450           | 79,696,203   | 4,420,566                    | 84,116,769      |
| <i>Contributions by and distributions to owners of the Company</i>    |      |                                       |                  |                    |                               |                        |                       |                         |                    |                      |              |                              |                 |
| Share options exercised   | 12   | 588,527                               | 2,526,693        | -                  | -                             | -                      | -                     | -                       | -                  | -                    | 3,115,220    | -                            | 3,115,220       |
| Treasury shares acquired  | 12   | -                                     | -                | -                  | -                             | -                      | -                     | -                       | (1,139,646)        | -                    | (1,139,646)  | -                            | (1,139,646)     |
| Share-based payments  |      | -                                     | -                | -                  | -                             | -                      | -                     | 541,021                 | -                  | -                    | 541,021      | -                            | 541,021         |
| Dividends   | 24   | -                                     | -                | -                  | -                             | -                      | -                     | -                       | -                  | (47,502,045)         | (47,502,045) | (4,265,734)                  | (51,767,779)    |
| <b>Total transactions with owners of the Company</b>                  |      | 588,527                               | 2,526,693        | -                  | -                             | -                      | -                     | 541,021                 | (1,139,646)        | (47,502,045)         | (44,985,450) | (4,265,734)                  | (49,251,184)    |
| Transfer to share premium for share options exercised                 |      | -                                     | 661,949          | -                  | -                             | -                      | -                     | (661,949)               | -                  | -                    | -            | -                            | -               |
| Transfer to retained earnings for share options lapsed                |      | -                                     | -                | -                  | -                             | -                      | -                     | (18,548)                | -                  | 18,548               | -            | -                            | -               |
| Cancellation of treasury shares                                       | 12   | (81,360)                              | (1,139,646)      | -                  | 81,360                        | -                      | -                     | -                       | 1,139,646          | -                    | -            | -                            | -               |
| Issuance of new shares to non-controlling interests                   |      | -                                     | -                | -                  | -                             | -                      | -                     | -                       | -                  | -                    | -            | 576,862                      | 576,862         |
| <b>At 31 December 2013</b>  |      | 63,512,486                            | 2,048,996        | 1,355,285          | 1,788,720                     | 4,107,615              | 25,834,000            | 1,814,143               | -                  | 148,891,239          | 249,352,484  | 2,370,821                    | 251,723,305     |
|   |      | Note 12                               | Note 12          | Note 12            | Note 12                       | Note 12                | Note 12               | Note 12                 | Note 12            |                      |              |                              |                 |



STATEMENTS OF CHANGES IN EQUITY (CONT'D)

| Company  | Note | Attributable to owners of the Company |                     |                                  |                          |                            |                       | Retained earnings<br>RM | Total equity<br>RM |
|--|------|---------------------------------------|---------------------|----------------------------------|--------------------------|----------------------------|-----------------------|-------------------------|--------------------|
|  |      | Share capital<br>RM                   | Share premium<br>RM | Capital redemption reserve<br>RM | Fair value reserve<br>RM | Share option reserve<br>RM | Treasury shares<br>RM |                         |                    |
| <b>At 1 January 2012</b>   |      | 64,017,580                            | 5,293,869           | 444,300                          | 10,093,000               | 1,714,963                  | -                     | 83,678,885              | 165,242,597        |
| Fair value of available-for-sale financial assets                  |      | -                                     | -                   | -                                | 2,472,000                | -                          | -                     | -                       | 2,472,000          |
| Profit for the year  |      | -                                     | -                   | -                                | -                        | -                          | -                     | 38,672,434              | 38,672,434         |
| <b>Total comprehensive income for the year</b>                     |      | -                                     | -                   | -                                | 2,472,000                | -                          | -                     | 38,672,434              | 41,144,434         |
| <i>Contributions by and distributions to owners of the Company</i> |      |                                       |                     |                                  |                          |                            |                       |                         |                    |
| Share options exercised  | 12   | 250,799                               | 815,241             | -                                | -                        | -                          | -                     | -                       | 1,066,040          |
| Treasury shares acquired   | 12   | -                                     | -                   | -                                | -                        | -                          | (14,465,208)          | -                       | (14,465,208)       |
| Share-based payments   |      | -                                     | -                   | -                                | -                        | 531,020                    | -                     | -                       | 531,020            |
| Dividends  | 24   | -                                     | -                   | -                                | -                        | -                          | -                     | (22,406,713)            | (22,406,713)       |
| <b>Total transactions with owners of the Company</b>               |      | 250,799                               | 815,241             | -                                | -                        | 531,020                    | (14,465,208)          | (22,406,713)            | (35,274,861)       |
| Transfer to share premium for share options exercised              |      | -                                     | 217,956             | -                                | -                        | (217,956)                  | -                     | -                       | -                  |
| Transfer to retained earnings for share options lapsed             |      | -                                     | -                   | -                                | -                        | (74,408)                   | -                     | 74,408                  | -                  |
| Cancellation of treasury shares                                    | 12   | (1,263,060)                           | (6,327,066)         | 1,263,060                        | -                        | -                          | 14,465,208            | (8,138,142)             | -                  |
| <b>At 31 December 2012</b>   |      | 63,005,319                            | -                   | 1,707,360                        | 12,565,000               | 1,953,619                  | -                     | 91,880,872              | 171,112,170        |
|  |      | Note 12                               | Note 12             | Note 12                          | Note 12                  | Note 12                    | Note 12               |                         |                    |

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

| Company  | Note | Attributable to owners of the Company |                     |                                  |                          |                            |                       |                         | Total equity<br>RM |
|--|------|---------------------------------------|---------------------|----------------------------------|--------------------------|----------------------------|-----------------------|-------------------------|--------------------|
|  |      | Share capital<br>RM                   | Share premium<br>RM | Capital redemption reserve<br>RM | Fair value reserve<br>RM | Share option reserve<br>RM | Treasury shares<br>RM | Retained earnings<br>RM |                    |
| <b>At 31 December 2012/1 January 2013</b>                          |      | 63,005,319                            | -                   | 1,707,360                        | 12,565,000               | 1,953,619                  | -                     | 91,880,872              | 171,112,170        |
| Fair value of available-for-sale financial assets                  |      | -                                     | -                   | -                                | 13,269,000               | -                          | -                     | -                       | 13,269,000         |
| Profit for the year  |      | -                                     | -                   | -                                | -                        | -                          | -                     | 87,417,178              | 87,417,178         |
| <b>Total comprehensive income for the year</b>                     |      | -                                     | -                   | -                                | 13,269,000               | -                          | -                     | 87,417,178              | 100,686,178        |
| <i>Contributions by and distributions to owners of the Company</i> |      |                                       |                     |                                  |                          |                            |                       |                         |                    |
| Share options exercised  | 12   | 588,527                               | 2,526,693           | -                                | -                        | -                          | -                     | -                       | 3,115,220          |
| Treasury shares acquired   | 12   | -                                     | -                   | -                                | -                        | -                          | (1,139,646)           | -                       | (1,139,646)        |
| Share-based payments   |      | -                                     | -                   | -                                | -                        | 541,021                    | -                     | -                       | 541,021            |
| Dividends  | 24   | -                                     | -                   | -                                | -                        | -                          | -                     | (47,502,045)            | (47,502,045)       |
| <b>Total transactions with owners of the Company</b>               |      | 588,527                               | 2,526,693           | -                                | -                        | 541,021                    | (1,139,646)           | (47,502,045)            | (44,985,450)       |
| Transfer to share premium for share options exercised              |      | -                                     | 661,949             | -                                | -                        | (661,949)                  | -                     | -                       | -                  |
| Transfer to retained earnings for share options lapsed             |      | -                                     | -                   | -                                | -                        | (18,548)                   | -                     | 18,548                  | -                  |
| Cancellation of treasury shares                                    | 12   | (81,360)                              | (1,139,646)         | 81,360                           | -                        | -                          | 1,139,646             | -                       | -                  |
| <b>At 31 December 2013</b>   |      | 63,512,486                            | 2,048,996           | 1,788,720                        | 25,834,000               | 1,814,143                  | -                     | 131,814,553             | 226,812,898        |
|  |      | Note 12                               | Note 12             | Note 12                          | Note 12                  | Note 12                    | Note 12               |                         |                    |

The notes on pages 49 to 120 are an integral part of these financial statements

# STATEMENTS OF CASH FLOWS

for the year ended 31 December 2013

|   | Note | Group        |                        | Company      |             |
|---|------|--------------|------------------------|--------------|-------------|
|   |      | 2013<br>RM   | 2012<br>RM<br>Restated | 2013<br>RM   | 2012<br>RM  |
| <b>Cash flows from operating activities</b>                                     |      |              |                        |              |             |
| Profit before tax   |      |              |                        |              |             |
| - continuing operations   |      | 7,647,877    | 13,444,895             | 87,820,711   | 39,299,670  |
| - discontinued operations   | 17   | 77,178,659   | 63,581,915             | -            | -           |
|   |      | 84,826,536   | 77,026,810             | 87,820,711   | 39,299,670  |
| Adjustments for:  |      |              |                        |              |             |
| Depreciation of property and equipment  |      | 2,770,873    | 2,301,905              | 19,009       | 19,009      |
| Property and equipment written off  |      | 4,124        | 9,031                  | -            | -           |
| Gain on disposal of property and equipment                                      |      | (2,058)      | (27,489)               | -            | -           |
| Share-based payments  |      | 541,021      | 531,020                | 60,135       | 81,204      |
| Share of loss after tax of joint venture  |      | 70,176       | 1,284,507              | -            | -           |
| Share of profit after tax of equity accounted associates                        |      | (6,302,362)  | (4,345,896)            | -            | -           |
| Dividend income   |      | (4,616,310)  | (5,660,353)            | (88,747,119) | 38,403,347  |
| Interest income   |      | (1,256,567)  | (1,756,332)            | (52,051)     | (105,075)   |
| Finance costs   |      | 2,679        | 7,237                  | -            | -           |
| Investment distribution income  |      | (838,135)    | (602,598)              | (236,060)    | (86,739)    |
| Impairment loss on investment in a joint venture                                |      | -            | -                      | -            | 3,316,465   |
| Loss/(Gain) on changes of interest in an associate                              |      | 1,678,516    | (931,038)              | -            | -           |
| Loss on disposal of investments in quoted shares                                |      | -            | 10,639                 | -            | -           |
| Reversal of impairment loss on investment in an associate                       |      | -            | (4,100,000)            | -            | (4,100,000) |
| Loss/(Gain) on financial assets classified as fair value through profit or loss |      | 1,054,192    | (3,451,903)            | 860,148      | (101,000)   |
| Unrealised foreign exchange (gain)/loss   |      | (84,375)     | (171,885)              | 19,871       | 15          |
| <b>Operating profit/(loss) before working capital changes</b>                   |      | 77,848,310   | 60,123,655             | (255,356)    | (79,798)    |
| Changes in trade and other receivables  |      | (5,897,551)  | (560,851)              | (131,328)    | 683,669     |
| Changes in prepayments and other assets   |      | (580,222)    | 24,614                 | (31,151)     | (977)       |
| Changes in deferred income  |      | 5,583,125    | 7,017,944              | 54,807       | (41,439)    |
| Changes in trade and other payables   |      | 2,930,627    | 2,216,729              | 27,232,615   | 395,295     |
| <b>Cash generated from operations</b>   |      | 79,884,289   | 68,822,091             | 26,869,587   | 956,750     |
| Income tax paid   |      | (18,189,480) | (17,207,124)           | (406,934)    | (618,691)   |
| Interest received   |      | 1,256,567    | 1,756,332              | 52,051       | 105,075     |
| Finance costs paid  |      | (2,679)      | (7,237)                | -            | -           |
| <b>Net cash generated from operating activities</b>                             |      | 62,948,697   | 53,364,062             | 26,514,704   | 443,134     |

## STATEMENTS OF CASH FLOWS (CONT'D)

|   | Note         | Group               |                        | Company            |                    |
|---|--------------|---------------------|------------------------|--------------------|--------------------|
|   |              | 2013<br>RM          | 2012<br>RM<br>Restated | 2013<br>RM         | 2012<br>RM         |
| <b>Cash flows from investing activities</b>                                   |              |                     |                        |                    |                    |
| Investment distribution income received                                       |              | 838,135             | 602,598                | 236,060            | 86,739             |
| Issuance of shares to non-controlling interests                               |              | 576,862             | -                      | -                  | -                  |
| Acquisition of other investments  | (13,703,333) | (19,471,646)        | (19,471,646)           | 13,102,812)        | (9,670,290)        |
| Acquisition of property and equipment   | (3,880,072)  | (2,977,348)         | (2,977,348)            | -                  | (7,437)            |
| Acquisition of treasury shares  | (1,139,646)  | (14,465,208)        | (14,465,208)           | (1,139,646)        | 14,465,208)        |
| Proceeds from disposal of property and equipment                              |              | 2,058               | 140,392                | -                  | -                  |
| Proceeds from disposal of investments in quoted shares                        |              | -                   | 3,565,471              | -                  | -                  |
| Dividends received from a subsidiary  |              | -                   | -                      | 23,696,682         | 26,965,606         |
| Dividends received from an associate  | 3,820,692    | 4,763,940           | 4,763,940              | 3,820,692          | 4,763,940          |
| Dividends received from other investments                                     |              | 4,616,310           | 5,660,353              | 4,064,427          | 4,974,725          |
| <b>Net cash (used in)/from investing activities</b>                           |              | <b>(8,868,994)</b>  | <b>(22,181,448)</b>    | <b>17,575,403</b>  | <b>12,648,075</b>  |
| <b>Cash flows from financing activities</b>                                   |              |                     |                        |                    |                    |
| Dividends paid to shareholders of the Company                                 | (47,502,045) | (22,406,713)        | (22,406,713)           | 47,502,045)        | 22,406,713)        |
| Dividends paid to non-controlling interests                                   | (5,231,000)  | (3,945,663)         | (3,945,663)            | -                  | -                  |
| Proceeds from issuance of shares pursuant to the Employee Share Option Scheme | 3,115,220    | 1,066,040           | 1,066,040              | 3,115,220          | 1,066,040          |
| Repayment of borrowings   | (130,333)    | (148,238)           | (148,238)              | -                  | -                  |
| <b>Net cash used in financing activities</b>                                  |              | <b>(49,748,158)</b> | <b>(25,434,574)</b>    | <b>44,386,825)</b> | <b>21,340,673)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                   |              | <b>4,331,545</b>    | <b>5,748,040</b>       | <b>(296,718)</b>   | <b>(8,249,464)</b> |
| <b>Cash and cash equivalents at beginning of the year</b>                     |              | <b>71,859,885</b>   | <b>65,647,602</b>      | <b>1,320,568</b>   | <b>9,570,032</b>   |
| <b>Effects of exchange rate fluctuations on cash held</b>                     |              | <b>(1,403,916)</b>  | <b>464,243</b>         | <b>-</b>           | <b>-</b>           |
| <b>Cash and cash equivalents at end of year (i)</b>                           |              | <b>74,787,514</b>   | <b>71,859,885</b>      | <b>1,023,850</b>   | <b>1,320,568</b>   |

STATEMENTS OF CASH FLOWS (CONT'D)

(i) **Cash and cash equivalents**

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

|                              | <b>Group</b>      |                   | <b>Company</b>   |                  |
|------------------------------|-------------------|-------------------|------------------|------------------|
|                              | <b>2013</b>       | <b>2012</b>       | <b>2013</b>      | <b>2012</b>      |
|                              | <b>RM</b>         | <b>RM</b>         | <b>RM</b>        | <b>RM</b>        |
| Deposits with licensed banks | 46,223,385        | 45,004,350        | -                | -                |
| Cash and bank balances       | 28,564,129        | 26,855,535        | 1,023,850        | 1,320,568        |
|                              | <b>74,787,514</b> | <b>71,859,885</b> | <b>1,023,850</b> | <b>1,320,568</b> |

The notes on pages 49 to 120 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 Company as at and for the financial year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates and a joint venture. The financial statements of the Company as at and for the year ended 31 December 2013 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 4 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 30 April 2014.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014***

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

## 1. BASIS OF PREPARATION (CONT'D)

### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

### ***MFRSs, Interpretations and amendments effective for a date yet to be confirmed***

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for IC Interpretation 21 which is not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for Amendments to MFRS 140 which is not applicable to the Group and the Company.

### **MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

The initial application of the other accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

**1. BASIS OF PREPARATION (CONT'D)**

**(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 is presented in RM, unless otherwise stated.

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with MFRSs 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.

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.

**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, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted MFRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, 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.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### (i) *Subsidiaries (cont'd)*

- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

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

#### (ii) *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.

For new acquisitions, the Group measures the cost of 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.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

#### (iii) *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) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any resulting gain/loss is recognised directly in equity.

#### (v) *Loss of control*

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 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.

#### (vi) *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 unless it is considered as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the 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 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 associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### (vi) *Associates (cont'd)*

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

#### (vii) *Joint arrangements*

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group adopted MFRS 11, *Joint Arrangements* in the current financial year. As a result, joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

In the previous financial years, joint arrangements were classified and accounted for as follows:

- For joint venture, the Group accounted for its interest using the equity method.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 11. The adoption of MFRS 11 has no significant impact to the financial statements of the Group.

#### (viii) *Non-controlling interests*

Non-controlling interests at the end of the reporting period, being the equity in a 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 is 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.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(a) Basis of consolidation (cont'd)**

**(viii) Non-controlling interests (cont'd)**

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.

**(ix) 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 associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(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 the 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 denominated 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 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(b) Foreign currency (cont'd)**

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

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, 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.

**(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:

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Financial instruments (cont'd)**

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

***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.

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(g)(i)).

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Financial instruments (cont'd)**

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

**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 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.

Fair value arising from financial guarantee contracts are classified as deferred income and is 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.

**(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.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Financial instruments (cont'd)**

**(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 working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

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.

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 income" and "other expenses" respectively in profit or loss.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(d) Property and equipment**

**(ii) Subsequent costs**

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component 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 based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component 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     |
| Renovations            | 4 – 5 years  |

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

**(e) Leased assets**

**Operating leases**

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the 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) 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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments.

### (g) Impairment

#### (i) *Financial assets*

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries, investments in associates and investments in joint venture) 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 investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

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 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 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 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Impairment (cont'd)

#### (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 cash-generating units.

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 or cash-generating unit.

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

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

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 financial year in which the reversals are recognised.

### (h) Equity instruments

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

#### (i) *Ordinary shares*

Ordinary shares are classified as 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 in the statement of changes in equity.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Equity instruments (cont'd)**

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

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.

**(i) 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 financial 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 granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become 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 share 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),

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(i) Employee benefits (cont'd)**

**(iii) Share-based payment transactions (cont'd)**

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.

**(j) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(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 in profit or loss on the date that the Group's or the Company's right to receive payment is established.

**(iii) Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss.

**(l) 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.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (l) Borrowing costs (cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are 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 or receivable 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 financial 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 temporary differences 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 assets, 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.

### (n) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative period.

**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. All 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.

**(q) Contingencies**

**(i) *Contingent liabilities***

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(ii) *Contingent assets***

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(r) Fair value measurement**

From 1 January 2013, the Group adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**3. PROPERTY AND EQUIPMENT**

| <b>Group</b>                           | <b>Freehold<br/>land<br/>RM</b> | <b>Building<br/>RM</b> | <b>Computers<br/>RM</b> | <b>Furniture<br/>and fittings<br/>RM</b> | <b>Office<br/>equipment<br/>RM</b> | <b>Motor<br/>vehicles<br/>RM</b> | <b>Renovations<br/>RM</b> | <b>Total<br/>RM</b> |
|--|---------------------------------|------------------------|-------------------------|--|------------------------------------|----------------------------------|---------------------------|---------------------|
| <b>Cost</b>                            |                                 |                        |                         |  |                                    |                                  |                           |                     |
| At 1 January 2012                      | 9,500,000                       | 4,888,000              | 8,822,147               | 3,298,109                                | 1,977,690                          | 155,937                          | 821,132                   | 29,463,015          |
| Additions                              | -                               | -                      | 1,410,888               | 153,914                                  | 460,375                            | -                                | 952,171                   | 2,977,348           |
| Disposals                              | -                               | -                      | (35,227)                | -  | (205,200)                          | -                                | -                         | (240,427)           |
| Written off                            | -                               | -                      | (256,847)               | -  | -                                  | -                                | -                         | (256,847)           |
| Exchange difference                    | -                               | -                      | (84,882)                | (1,349)                                  | 19,163                             | (2,287)                          | 11,825                    | (57,530)            |
| At 31 December 2012/<br>1 January 2013 | 9,500,000                       | 4,888,000              | 9,856,079               | 3,450,674                                | 2,252,028                          | 153,650                          | 1,785,128                 | 31,885,559          |
| Additions                              | -                               | -                      | 3,497,687               | 66,393                                   | 159,598                            | -                                | 156,394                   | 3,880,072           |
| Transfer to assets held for sale       | -                               | -                      | (12,399,138)            | (2,171,538)                              | (2,275,091)                        | (144,843)                        | (1,669,248)               | (18,659,858)        |
| Disposals                              | -                               | -                      | (27,051)                | (6,071)                                  | -                                  | -                                | -                         | (33,122)            |
| Written off                            | -                               | -                      | (308,927)               | (10,996)                                 | (29,330)                           | -                                | -                         | (349,253)           |
| Exchange difference                    | -                               | -                      | (321,282)               | (12,022)                                 | (30,130)                           | (8,807)                          | (36,474)                  | (408,715)           |
| At 31 December 2013                    | 9,500,000                       | 4,888,000              | 297,368                 | 1,316,440                                | 77,075                             | -                                | 235,800                   | 16,314,683          |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY AND EQUIPMENT (CONT'D)

| Group                                  | Freehold<br>land<br>RM | Building<br>RM | Computers<br>RM | Furniture<br>and fittings<br>RM | Office<br>equipment<br>RM | Motor<br>vehicles<br>RM | Renovations<br>RM | Total<br>RM  |
|--|------------------------|----------------|-----------------|---------------------------------|---------------------------|-------------------------|-------------------|--------------|
| <b>Depreciation</b>                    |                        |                |                 |                                 |                           |                         |                   |              |
| At 1 January 2012                      | -                      | 129,377        | 6,353,766       | 1,669,495                       | 1,340,336                 | 99,438                  | 185,377           | 9,777,789    |
| Depreciation for the year              | -                      | 107,396        | 1,437,990       | 314,290                         | 252,332                   | 19,066                  | 170,831           | 2,301,905    |
| Disposals                              | -                      | -              | (35,227)        | -                               | (92,297)                  | -                       | -                 | (127,524)    |
| Written off                            | -                      | -              | (247,816)       | -                               | -                         | -                       | -                 | (247,816)    |
| Exchange difference                    | -                      | -              | (39,638)        | (1,512)                         | 18,499                    | (3,663)                 | 2,833             | (23,481)     |
| At 31 December 2012/<br>1 January 2013 | -                      | 236,773        | 7,469,075       | 1,982,273                       | 1,518,870                 | 114,841                 | 359,041           | 11,680,873   |
| Depreciation for the year              | -                      | 107,396        | 1,858,107       | 315,697                         | 279,164                   | 10,102                  | 200,407           | 2,770,873    |
| Transfer of assets held for sale       | -                      | -              | (8,605,295)     | (1,419,958)                     | (1,679,903)               | (116,389)               | (532,928)         | (12,354,473) |
| Disposals                              | -                      | -              | (27,051)        | (6,071)                         | -                         | -                       | -                 | (33,122)     |
| Written off                            | -                      | -              | (308,885)       | (10,513)                        | (25,731)                  | -                       | -                 | (345,129)    |
| Exchange difference                    | -                      | -              | (104,920)       | (7,670)                         | (17,946)                  | (8,554)                 | (12,765)          | (151,855)    |
| At 31 December 2013                    | -                      | 344,169        | 281,031         | 853,758                         | 74,454                    | -                       | 13,755            | 1,567,167    |
| <b>Carrying amounts</b>                |                        |                |                 |                                 |                           |                         |                   |              |
| At 31 December 2012/<br>1 January 2013 | 9,500,000              | 4,651,227      | 2,387,004       | 1,468,401                       | 733,158                   | 38,809                  | 1,426,087         | 20,204,686   |
| At 31 December 2013                    | 9,500,000              | 4,543,831      | 16,337          | 462,682                         | 2,621                     | -                       | 222,045           | 14,747,516   |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY AND EQUIPMENT (CONT'D)

| <b>Company</b>   | <b>Furniture and fittings</b> |           |                         |                     |
|--|-------------------------------|-----------|-------------------------|---------------------|
| <b>Cost</b>  | <b>Building<br/>RM</b>        | <b>RM</b> | <b>Computers<br/>RM</b> | <b>Total<br/>RM</b> |
| At 1 January 2012  | 388,000                       | 112,493   | -                       | 500,493             |
| Additions  | -                             | -         | 7,437                   | 7,437               |
| At 31 December 2012/<br>1 January 2013/ 31 December 2013 | 388,000                       | 112,493   | 7,437                   | 507,930             |
| <b>Depreciation</b>                                      |                               |           |                         |                     |
| At 1 January 2012  | 29,747                        | 19,686    | -                       | 49,433              |
| Depreciation for the year                                | 7,760                         | 11,249    | -                       | 19,009              |
| At 31 December 2012/<br>1 January 2013                   | 37,507                        | 30,935    | -                       | 68,442              |
| Depreciation for the year                                | 7,760                         | 11,249    | -                       | 19,009              |
| At 31 December 2013                                      | 45,267                        | 42,184    | -                       | 87,451              |
| <b>Carrying amounts</b>                                  |                               |           |                         |                     |
| At 31 December 2012/<br>1 January 2013                   | 350,493                       | 81,558    | 7,437                   | 439,488             |
| At 31 December 2013                                      | 342,733                       | 70,309    | 7,437                   | 420,479             |

4. INVESTMENTS IN SUBSIDIARIES

|                                     | <b>Note</b> | <b>Company</b>     |                    |
|-------------------------------------|-------------|--------------------|--------------------|
|                                     |             | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| At cost:                            |             |                    |                    |
| At 1 January                        |             | 20,950,101         | 20,500,283         |
| Increase                            | a           | 480,886            | 449,818            |
| Transfer to a subsidiary            |             | (390,663)          | -                  |
|                                     |             | 21,040,324         | 20,950,101         |
| Less: Accumulated impairment losses |             | (212,252)          | (212,252)          |
|                                     |             | 20,828,072         | 20,737,849         |
| Transfer to assets held for sale    | b           | (20,481,542)       | -                  |
|                                     |             | 346,530            | 20,737,849         |

**Note a**

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

**4. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

**Note b**

On 19 February 2014, the Group announced that it had entered into a conditional share sale agreement with SEEK Asia Investments Pte Ltd for the disposal of its online job portal business for an aggregate consideration of RM1,730,000,000. The proposal involved the disposal of the entire equity interests in JobStreet.com Pte. Ltd. and its subsidiaries (other than Enerpro Pte. Ltd. and JobStreet.com India Pvt. Ltd.) and Agensi Pekerjaan JS Staffing Services Sdn. Bhd..

Accordingly, the investments in subsidiaries have been reclassified to assets held for sale.

Details of the subsidiaries are as follows:

| Name of subsidiary                                 | Country of incorporation | Principal activities                                      | Effective ownership interest and voting interest |        |
|--|--------------------------|---|--|--------|
|  |                          |   | 2013 %   | 2012 % |
| JobStreet.com Pte. Ltd. *<br>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    |

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

| Name of subsidiary                                      | Country of incorporation | Principal activities  | Effective ownership interest and voting interest |        |
|---|--------------------------|---|--|--------|
|   |                          |   | 2013 %   | 2012 % |
| JobStreet.com Shared Services Sdn. Bhd.                 | Malaysia                 | General management and technical support services, research and development activities and human resource support | 100  | 100    |
| JS Vietnam Holdings Pte. Ltd. *                         | Singapore                | Investment holding  | 81   | 100    |
| JS Recruitment Solutions Sdn. Bhd.                      | Malaysia                 | Staffing, business process outsourcing and consultancy services   | 100  | -      |
| 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                 | Private employment agency and consultancy services  | 100  | 100    |

\* Audited by other member firms of KPMG International

\*\* Audited by firms of auditors other than KPMG International

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

**4. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

On 16 April 2013, JobStreet.com Pte. Ltd. ("JSPL") incorporated a wholly-owned subsidiary known as JS Recruitment Solutions Sdn. Bhd. ("JRS"), with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

During the year, the Company transferred its shareholding in PT JobStreet Indonesia to JobStreet.com Pte. Ltd. at its carrying amount.

**Non-controlling interests in subsidiaries**

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

|   | 2013                                      |                                    |   |             |
|---|---|------------------------------------|---|-------------|
|   | JobStreet.com<br>Philippines<br>Inc<br>RM | PT<br>JobStreet<br>Indonesia<br>RM | Other<br>individually<br>immaterial<br>subsidiaries<br>RM | Total<br>RM |
| <b>NCI percentage of ownership interest<br/>and voting interest</b> | 40%                                       | 40%                                |   |             |
| Carrying amount of NCI  | 1,372,923                                 | 115,156                            | 882,742   | 2,370,821   |
| Profit allocated to NCI   | 4,277,376                                 | 141,679                            | 1,511   | 4,420,566   |

**Summarised financial information before intra-group elimination****As at 31 December**

|                     |              |             |
|---------------------|--------------|-------------|
| Non-current assets  | 1,637,353    | 684,474     |
| Current assets      | 26,566,116   | 4,670,486   |
| Current liabilities | (24,771,161) | (5,067,071) |
| Net assets          | 3,432,308    | 287,889     |

**Year ended 31 December**

|   |              |           |
|---|--------------|-----------|
| Revenue                                   | 36,600,377   | 9,235,676 |
| Profit for the year                       | 10,906,005   | 527,138   |
| Other comprehensive expense               | (212,563)    | (172,942) |
| Total comprehensive income                | 10,693,442   | 354,196   |
| Cash flow from operating activities       | 19,628,546   | 3,271,969 |
| Cash flow used in investing activities    | (233,507)    | (286,724) |
| Cash flow used in financing activities    | (12,830,582) | (610,692) |
| Net increase in cash and cash equivalents | 6,564,457    | 2,374,553 |
| Dividends paid to NCI                     | 5,231,000    | -         |

4. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

|   | 2012                                      |                                    |   |             |
|---|---|------------------------------------|---|-------------|
|   | JobStreet.com<br>Philippines<br>Inc<br>RM | PT<br>JobStreet<br>Indonesia<br>RM | Other<br>individually<br>immaterial<br>subsidiaries<br>RM | Total<br>RM |
| <b>NCI percentage of ownership interest<br/>and voting interest</b> | 40%                                       | 40%                                |   |             |
| Carrying amount of NCI  | 1,361,281                                 | (26,522)                           | 304,368   | 1,639,127   |
| Profit/(Loss) allocated to NCI                                      | 3,296,811                                 | (111,682)                          | (44,752)  | 3,140,377   |

Summarised financial information before intra-group elimination

**As at 31 December**

|                          |              |             |
|--------------------------|--------------|-------------|
| Non-current assets       | 1,713,824    | 669,522     |
| Current assets           | 35,258,628   | 2,445,153   |
| Current liabilities      | (33,569,250) | (3,180,981) |
| Net assets/(liabilities) | 3,403,202    | (66,306)    |

**Year ended 31 December**

|   |             |           |
|---|-------------|-----------|
| Revenue                                   | 28,592,245  | 6,595,895 |
| Profit/(Loss) for the year                | 8,018,507   | (280,137) |
| Other comprehensive income                | 223,520     | 933       |
| Total comprehensive income/(expense)      | 8,242,027   | (279,204) |
| Cash flow from operating activities       | 19,067,697  | 331,621   |
| Cash flow used in investing activities    | (1,009,958) | (86,985)  |
| Cash flow used in financing activities    | (9,382,227) | (121,001) |
| Net increase in cash and cash equivalents | 8,675,512   | 123,635   |
| Dividends paid to NCI                     | 3,945,663   | -         |

**5. INVESTMENTS IN ASSOCIATES**

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| At cost:  |                    |                    |                    |                    |
| Investments in associates:                            |                    |                    |                    |                    |
| Quoted shares   | 83,744,287         | 83,744,287         | 83,744,287         | 83,744,287         |
| Share of post-acquisition reserves                    | 3,593,142          | 2,789,987          | -                  | -                  |
| Post acquisition foreign exchange translation reserve | 2,592,973          | (789,507)          | -                  | -                  |
| Post acquisition capital reserve                      | 1,355,286          | 320,142            | -                  | -                  |
|   | <u>91,285,688</u>  | <u>86,064,909</u>  | <u>83,744,287</u>  | <u>83,744,287</u>  |
| Market value  |                    |                    |                    |                    |
| Quoted shares in Malaysia                             | 8,482,512          | 13,162,518         | 8,482,512          | 13,162,518         |
| Quoted shares outside Malaysia                        | <u>89,805,100</u>  | <u>63,934,059</u>  | <u>89,805,100</u>  | <u>63,934,059</u>  |

Details of material associates are as follows:

| <b>Name of entity</b>     | <b>Principal activity</b>  | <b>Principal place of business/Country of incorporation</b> | <b>Effective ownership interest and voting interest</b> |             |
|---------------------------|--|---|---|-------------|
|                           |  |   | <b>2013</b>   | <b>2012</b> |
| Innity Corporation Berhad | Provider of interactive online marketing platforms and technologies for advertisers and publishers | Malaysia  | 21%   | 21%         |
| 104 Corporation           | Provider of advertising and consultancy services   | Taiwan  | 23%   | 22%         |



**5. INVESTMENTS IN ASSOCIATES (CONT'D)**

The following table summarises the information of the Group's material associates, adjusted for any difference in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

**Summarised financial information**

|  | 2013                                  |                          |
|--|---------------------------------------|--------------------------|
|  | Innity<br>Corporation<br>Berhad<br>RM | 104<br>Corporation<br>RM |
| <b>As at 31 December</b>                   |                                       |                          |
| Non-current assets                         | 4,726,299                             | 23,602,590               |
| Current assets                             | 34,892,727                            | 185,897,800              |
| Non-current liabilities                    | (636,159)                             | (580,360)                |
| Current liabilities                        | (13,355,058)                          | (74,912,970)             |
| Non-controlling interest                   | 527,559                               | (437,030)                |
| Net assets                                 | 26,155,368                            | 133,570,030              |
| <b>Year ended 31 December</b>              |                                       |                          |
| Profit for the year                        | 2,438,656                             | 24,646,406               |
| Other comprehensive (expense)/income       | (173,043)                             | 18,946,043               |
| Total comprehensive income                 | 2,265,613                             | 43,592,449               |
| <b>Included in comprehensive income is</b> |                                       |                          |
| Revenue                                    | 46,514,965                            | 241,775,710              |

|  | Innity<br>Corporation<br>Berhad<br>RM | 104<br>Corporation<br>RM | Total<br>RM |
|--|---------------------------------------|--------------------------|-------------|
| <b>Reconciliation of net assets to carrying amount</b> |                                       |                          |             |
| <b>As at 31 December</b>                               |                                       |                          |             |
| Group's share of net assets                            | 5,527,676                             | 31,362,243               | 36,889,919  |
| Goodwill   | 4,946,718                             | 47,868,950               | 52,815,668  |
| Effects of exchange rate fluctuations                  | -                                     | 1,580,101                | 1,580,101   |
| Carrying amount in the statement of financial position | 10,474,394                            | 80,811,294               | 91,285,688  |
| <b>Group's share of results</b>                        |                                       |                          |             |
| <b>Year ended 31 December</b>                          |                                       |                          |             |
| Group's share of profit                                | 515,386                               | 5,786,976                | 6,302,362   |
| Group's share of comprehensive (expense)/income        | (36,571)                              | 4,448,531                | 4,411,960   |
|  | 478,815                               | 10,235,507               | 10,714,322  |
| <b>Other information</b>                               |                                       |                          |             |
| Dividend received                                      | -                                     | 3,820,692                |             |

5. INVESTMENTS IN ASSOCIATES (CONT'D)

Summarised financial information (cont'd)

|  | 2012                         |                    |
|--|------------------------------|--------------------|
|  | Innity Corporation Berhad RM | 104 Corporation RM |
| <b>As at 31 December</b>                   |                              |                    |
| Non-current assets                         | 4,625,087                    | 22,615,573         |
| Current assets                             | 29,547,589                   | 178,123,892        |
| Non-current liabilities                    | (511,573)                    | (556,090)          |
| Current liabilities                        | (10,054,499)                 | (71,780,247)       |
| Non-controlling interest                   | 283,153                      | (418,754)          |
| Net assets                                 | 23,889,757                   | 127,984,374        |
| <b>Year ended 31 December</b>              |                              |                    |
| Profit for the year                        | 2,140,145                    | 17,911,118         |
| Other comprehensive income                 | -                            | -                  |
| Total comprehensive income                 | 2,140,145                    | 17,911,118         |
| <b>Included in comprehensive income is</b> |                              |                    |
| Revenue                                    | 46,514,965                   | 221,899,463        |

|  | Innity Corporation Berhad RM | 104 Corporation RM | Total RM   |
|--|------------------------------|--------------------|------------|
| <b>Reconciliation of net assets to carrying amount</b> |                              |                    |            |
| Group's share of net assets                            | 5,048,862                    | 28,783,686         | 33,832,548 |
| Goodwill   | 4,946,718                    | 47,868,950         | 52,815,668 |
| Effects of exchange rate fluctuations                  | -                            | (583,307)          | (583,307)  |
| Carrying amount in the statement of financial position | 9,995,580                    | 76,069,329         | 86,064,909 |
| <b>Group's share of results</b>                        |                              |                    |            |
| <b>Year ended 31 December</b>                          |                              |                    |            |
| Group's share of profit                                | 317,686                      | 4,028,210          | 4,345,896  |
| Group share of comprehensive income                    | -                            | -                  | -          |
|  | 317,686                      | 4,028,210          | 4,345,896  |
| <b>Other information</b>                               |                              |                    |            |
| Dividend received                                      | -                            | 4,763,940          |            |

**6. INVESTMENT IN A JOINT VENTURE**

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| At cost:  |                    |                    |                    |                    |
| Investment in<br>a joint venture:                           |                    |                    |                    |                    |
| Unquoted shares   | 3,316,465          | 3,316,465          | 3,316,465          | 3,316,465          |
| Impairment loss   | -                  | -                  | (3,316,465)        | (3,316,465)        |
| Share of post-acquisition<br>reserves                       | (3,155,673)        | (3,085,497)        | -                  | -                  |
| Post acquisition foreign<br>exchange translation<br>reserve | <u>(160,792)</u>   | <u>(161,540)</u>   | <u>-</u>           | <u>-</u>           |
|   | <u>-</u>           | <u>69,428</u>      | <u>-</u>           | <u>-</u>           |

JobStreet Recruitment (Thailand) Co., Ltd. ("JobStreet Thailand"), the only joint arrangement in which the Group participates, is principally engaged in online recruitment and human resource management services. JobStreet Thailand is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in JobStreet Thailand as a joint venture.

**7. OTHER INVESTMENTS**

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| <b>Non-current</b>  |                    |                    |                    |                    |
| Available-for-sale<br>financial assets:   |                    |                    |                    |                    |
| - Overseas (Quoted<br>shares)   | <u>55,995,659</u>  | <u>37,896,668</u>  | <u>55,995,659</u>  | <u>37,896,668</u>  |
| <b>Current</b>  |                    |                    |                    |                    |
| Financial assets at fair<br>value through profit<br>or loss – held for<br>trading : |                    |                    |                    |                    |
| - Malaysia (Quoted<br>shares)   | 12,124,811         | 25,998,749         | 12,124,811         | 4,712,138          |
| - Overseas (Quoted<br>shares)   | <u>-</u>           | <u>9,614,186</u>   | <u>-</u>           | <u>-</u>           |
|   | <u>12,124,811</u>  | <u>35,612,935</u>  | <u>12,124,811</u>  | <u>4,712,138</u>   |
|   | <u>68,120,470</u>  | <u>73,509,603</u>  | <u>68,120,470</u>  | <u>42,608,806</u>  |
| Market value of quoted<br>investments   | <u>68,120,470</u>  | <u>73,509,603</u>  | <u>68,120,470</u>  | <u>42,608,806</u>  |

**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        |            |
|----------------------------------|------------|------------|-------------|------------|------------|------------|
|                                  | 2013<br>RM | 2012<br>RM | 2013<br>RM  | 2012<br>RM | 2013<br>RM | 2012<br>RM |
| Property and equipment           | -          | -          | -           | (913,434)  | -          | (913,434)  |
| Provisions                       | -          | 715,636    | -           | -          | -          | 715,636    |
| Deferred income                  | -          | 4,432,163  | -           | -          | -          | 4,432,163  |
| Tax assets/<br>(liabilities)     | -          | 5,147,799  | -           | (913,434)  | -          | 4,234,365  |
| Set off of tax                   | -          | (886,498)  | -           | 886,498    | -          | -          |
| Net tax assets/<br>(liabilities) | -          | 4,261,301  | -           | (26,936)   | -          | 4,234,365  |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Movement in temporary differences during the year

|                           | At 1.1.2012      | Recognised in<br>profit or loss<br>(Note 22) | Exchange<br>differences | At<br>31.12.2012 | Recognised in<br>profit or loss<br>(Note 22) | Exchange<br>differences | Included in<br>disposal<br>group held<br>for sale<br>(Note 11) | At<br>31.12.2013 |
|---------------------------|------------------|--|-------------------------|------------------|--|-------------------------|--|------------------|
|                           | RM               | RM   | RM                      | RM               | RM   | RM                      | RM   | RM               |
| <b>Group</b>              |                  |  |                         |                  |  |                         |  |                  |
| Property and<br>equipment | (1,157,594)      | 243,697                                      | 463                     | (913,434)        | 5,628  | (2,762)                 | 910,568  | -                |
| Provisions                | 515,656          | 197,781                                      | 2,199                   | 715,636          | 6,860  | 3,611                   | (726,107)  | -                |
| Deferred income           | 3,909,750        | 522,413                                      | -                       | 4,432,163        | 377,900                                      | -                       | (4,810,063)  | -                |
|                           | <u>3,267,812</u> | <u>963,891</u>                               | <u>2,662</u>            | <u>4,234,365</u> | <u>390,388</u>                               | <u>849</u>              | <u>(4,625,602)</u>   | <u>-</u>         |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

**Unrecognised deferred tax assets**

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

|                                 | <b>Group</b>       |                    |
|---------------------------------|--------------------|--------------------|
|                                 | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| Deductible temporary difference | 1,834,000          | 2,620,000          |
| Tax losses carry-forward        | 1,267,000          | 1,530,000          |
| Unabsorbed capital allowances   | -                  | 35,000             |
|                                 | <u>3,101,000</u>   | <u>4,185,000</u>   |

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

9. TRADE AND OTHER RECEIVABLES

|                              | <b>Note</b> | <b>Group</b>       |                    | <b>Company</b>     |                    |
|------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                              |             | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| <b>Trade</b>                 |             |                    |                    |                    |                    |
| Trade receivables            |             | 737,345            | 13,080,696         | 272,739            | 240,059            |
| <b>Non-trade</b>             |             |                    |                    |                    |                    |
| Amount due from subsidiaries | a           | -                  | -                  | 709,503            | 193,310            |
| Other receivables            |             | 393,918            | 2,786,695          | 21,200             | 67,953             |
|                              |             | <u>393,918</u>     | <u>2,786,695</u>   | <u>730,703</u>     | <u>261,263</u>     |
| Dividend receivable          |             | -                  | -                  | 80,862,000         | 23,696,682         |
|                              |             | <u>393,918</u>     | <u>2,786,695</u>   | <u>81,592,703</u>  | <u>23,957,945</u>  |
|                              |             | <u>1,131,263</u>   | <u>15,867,391</u>  | <u>81,865,442</u>  | <u>24,198,004</u>  |

**Note a**

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. CASH AND CASH EQUIVALENTS

|                              | Group            |                   | Company          |                  |
|------------------------------|------------------|-------------------|------------------|------------------|
|                              | 2013<br>RM       | 2012<br>RM        | 2013<br>RM       | 2012<br>RM       |
| Deposits with licensed banks | 1,003,253        | 45,004,350        | -                | -                |
| Cash and bank balances       | 2,644,992        | 26,855,535        | 1,023,850        | 1,320,568        |
|                              | <u>3,648,245</u> | <u>71,859,885</u> | <u>1,023,850</u> | <u>1,320,568</u> |

11. DISPOSAL GROUP HELD FOR SALE

On 19 February 2014, the Group announced that it had entered into a conditional share sale agreement with SEEK Asia Investments Pte Ltd for the disposal of its online job portal business for an aggregate consideration of RM1,730,000,000. The proposal involved the disposal of the entire equity interests in JobStreet.com Pte. Ltd. and its subsidiaries (other than Enepro Pte. Ltd. and JobStreet.com India Pvt. Ltd.) and Agensi Pekerjaan JS Staffing Services Sdn. Bhd..

Efforts to sell the disposal group have commenced at the end of 2013 and the sale is expected to be completed in the next twelve months. As at 31 December 2013, the assets and liabilities of the disposal group are as follows:

**Breakdown of assets and liabilities of the disposal group**

|  | Note | Group<br>2013<br>RM | Company<br>2013<br>RM |
|--|------|---------------------|-----------------------|
| <b>Assets classified as held for sale</b>      |      |                     |                       |
| Property and equipment                         | a    | 6,305,385           | -                     |
| Deferred tax assets                            |      | 4,655,223           | -                     |
| Short term investments                         |      | 31,607,838          | -                     |
| Trade and other receivables                    | b    | 20,581,614          | -                     |
| Prepayments and other assets                   |      | 1,706,241           | -                     |
| Current tax assets                             |      | 20,000              | -                     |
| Cash and cash equivalents                      |      | 71,139,269          | -                     |
| Investments in subsidiaries                    | 4    | -                   | 20,481,542            |
|  |      | <u>136,015,570</u>  | <u>20,481,542</u>     |
| <b>Liabilities classified as held for sale</b> |      |                     |                       |
| Deferred tax liabilities                       |      | 29,621              | -                     |
| Deferred income                                |      | 43,942,429          | -                     |
| Trade and other payables                       |      | 15,702,262          | -                     |
| Current tax payables                           |      | 2,690,166           | -                     |
|  |      | <u>62,364,478</u>   | <u>-</u>              |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**11. DISPOSAL GROUP HELD FOR SALE (CONT'D)**

The carrying value of property and equipment of the disposal group is the same as its carrying value before it was being reclassified to current assets.

**Cumulative income or expense recognised in other comprehensive income**

The cumulative income or expense recognised in other comprehensive income relating to the disposal group is RM954,743.

**Note a**

Property and equipment held for sale comprise the following:

|                          | <b>Group<br/>2013<br/>RM</b> |
|--------------------------|------------------------------|
| Cost                     | 18,659,858                   |
| Accumulated depreciation | <u>(12,354,473)</u>          |
|                          | <u>6,305,385</u>             |

**Note b**

Receivables are carried at cost less impairment loss of RM433,524.

**12. CAPITAL AND RESERVES**

**Share capital**

|  | <b>Note</b> | <b>Amount<br/>2013<br/>RM</b> | <b>Group and Company<br/>Number<br/>of shares<br/>2013</b> | <b>Amount<br/>2012<br/>RM</b> | <b>Number<br/>of shares<br/>2012</b> |
|--|-------------|-------------------------------|--|-------------------------------|--------------------------------------|
| Authorised:  |             |                               |  |                               |                                      |
| Ordinary shares of RM0.10 each #                   |             | <u>100,000,000</u>            | <u>1,000,000,000</u>                                       | <u>100,000,000</u>            | <u>500,000,000</u>                   |
| Issued and fully paid:                             |             |                               |  |                               |                                      |
| Ordinary shares RM0.10 each At 1 January #         |             | 63,005,319                    | 315,026,596  | 64,017,580                    | 320,087,900                          |
| Issue of shares under employee share option scheme |             |                               |  |                               |                                      |
| Ordinary shares of RM0.20 each                     | a           | 433,327                       | 2,166,634  | 250,799                       | 1,253,996                            |
| Ordinary shares of RM0.10 each                     | a           | 155,200                       | 1,552,000  | -                             | -                                    |
| Share split  | b           | -                             | 317,193,230  | -                             | -                                    |
| Cancellation of treasury shares *                  |             | <u>(81,360)</u>               | <u>(813,600)</u>   | <u>(1,263,060)</u>            | <u>(6,315,300)</u>                   |
| At 31 December *                                   |             | <u>63,512,486</u>             | <u>635,124,860</u>   | <u>63,005,319</u>             | <u>315,026,596</u>                   |



## 12. CAPITAL AND RESERVES (CONT'D)

### Share capital (cont'd)

# The ordinary shares for the year ended 31 December 2012 refers to ordinary shares of RM0.20 each.

\* Refers to ordinary shares of RM0.10 each (2012: RM0.20 each).

#### Note a

Prior to the subdivision of one ordinary share of RM0.20 each into two ordinary shares of RM0.10 each, 2,166,634 (2012: 1,253,996) 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 RM0.97 (2012: RM0.85) per ordinary share.

Subsequently 1,552,000 new ordinary shares of RM0.10 each were issued for cash arising from the exercise of Employee Share Options at a weighted average exercise price of approximately RM0.66 per ordinary share.

#### Note b

On 5 September 2013, the Company completed the subdivision of every one ordinary share of RM0.20 each into two ordinary shares of RM0.10 each. On even date, 317,193,230 ordinary shares of RM0.20 each were subdivided into 634,386,460 ordinary shares of RM0.10 each.

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.

### 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.

### Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

**12. CAPITAL AND RESERVES (CONT'D)**

**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**

During the financial year, the Company purchased from the open market, 406,800 (2012: 6,315,300) of its issued ordinary shares of RM0.20 (2012: RM0.20) each ("JobStreet Shares") listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM2.80 (2012: RM2.29) per ordinary share. The total consideration paid for the share buy-back of JobStreet Shares by the Company during the financial year was RM1,139,646 (2012: RM14,465,208) and was financed by internally generated funds. The JobStreet Shares bought back were held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965 until 28 November 2013.

On 29 November 2013, the Company cancelled 813,600 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 2013, there were no treasury shares held by the Company.

**13. LOAN AND BORROWING**

|                             | <b>Group</b>  |                |
|-----------------------------|---------------|----------------|
|                             | <b>2013</b>   | <b>2012</b>    |
|                             | <b>RM</b>     | <b>RM</b>      |
| <b>Non-current</b>          |               |                |
| Unsecured bank loan ("JPY") | -             | 49,982         |
| <b>Current</b>              |               |                |
| Unsecured bank loan ("JPY") | <u>43,945</u> | <u>148,238</u> |
|                             | <u>43,945</u> | <u>198,220</u> |

The bank loan above refers to a government subsidised bank loan obtained by a subsidiary (denominated in Japanese Yen ("JPY")), 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**14. DEFERRED INCOME**

|                  |      | Group      |            | Company    |            |
|------------------|------|------------|------------|------------|------------|
|                  | Note | 2013<br>RM | 2012<br>RM | 2013<br>RM | 2012<br>RM |
| Prepaid services | a    | 206,417    | 39,334,948 | 67,500     | 12,693     |

**Note a**

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

**15. TRADE AND OTHER PAYABLES**

|                                     |      | Group          |                   | Company           |                  |
|-------------------------------------|------|----------------|-------------------|-------------------|------------------|
|                                     | Note | 2013<br>RM     | 2012<br>RM        | 2013<br>RM        | 2012<br>RM       |
| <b>Trade</b>                        |      |                |                   |                   |                  |
| Trade payables                      |      | 21,803         | 2,220,248         | -                 | -                |
| <b>Non-trade</b>                    |      |                |                   |                   |                  |
| Other payables and accrued expenses |      | 841,661        | 13,566,763        | 710,761           | 1,835,368        |
| Amount due to subsidiaries          | a    | -              | -                 | 28,446,442        | 89,220           |
|                                     |      | <u>841,661</u> | <u>13,566,763</u> | <u>29,157,203</u> | <u>1,924,588</u> |
|                                     |      | <u>863,464</u> | <u>15,787,011</u> | <u>29,157,203</u> | <u>1,924,588</u> |

**Note a**

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

**16. 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, 11 January 2010 and 9 January 2013. In accordance with the scheme, the options are exercisable at the exercise price of the shares at the date of grant.

**16. EMPLOYEE BENEFITS (CONT'D)**

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

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 options to be granted to eligible employees to enable them to continue to be rewarded in recognition of their contribution to the Group.

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

| <b>Grant date/employees entitled</b>                             | <b>Number of instruments ^<br/>'000</b> | <b>Vesting conditions</b>  | <b>Contractual life of options</b> |
|--|---|--|------------------------------------|
| Options granted to key management personnel on 29 November 2004* | 20,100                                  | 20.0% upon yearly service and achievement of individual targets              | 5 years #                          |
| Options granted to eligible employees on 29 November 2004*       | 24,570                                  | 20.0% upon yearly service and achievement of individual targets              | 5 years #                          |
| Options granted to eligible employees on 23 February 2006        | 7,574                                   | 25.0% upon yearly service and achievement of individual targets*             | 4 years #                          |
| Options granted to eligible employees on 28 March 2007           | 4,426                                   | 33.3% upon yearly service and achievement of individual target*              | 3 years #                          |
| Options granted to eligible employees on 20 May 2008             | 5,070                                   | 50.0% upon yearly service and achievement of individual target*              | 2 years #                          |
| Options granted to key management personnel on 11 January 2010   | 7,600                                   | 12.1% upon yearly service and remainder on achievement of individual target* | 5 years                            |
| Options granted to eligible employees on 11 January 2010         | 19,790                                  | 9.0% upon yearly service and remainder on achievement of individual target*  | 5 years                            |

**16. EMPLOYEE BENEFITS (CONT'D)**

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

| <b>Grant date/employees entitled</b>                    | <b>Number of instruments <sup>^</sup><br/>'000</b> | <b>Vesting conditions</b>  | <b>Contractual life of options</b> |
|---|--|--|------------------------------------|
| Options granted to eligible employees on 9 January 2013 | 2,100  | 14.3% upon yearly service and remainder on achievement of individual target* | 2 years                            |
| Total share options                                     | <u>91,230</u>                                      |  |                                    |

<sup>^</sup> Accounted for the adjustment of share split which was completed on 5 September 2013.

\* 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.

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

|                            | <b>Weighted average exercise price<br/>2013</b> | <b>Number of options ('000)<br/>2013</b> | <b>Weighted average exercise price<br/>2012</b> | <b>Number of options ('000)<br/>2012</b> |
|----------------------------|---|--|---|--|
| Outstanding at 1 January   | RM1.22  | 11,466                                   | RM1.19  | 13,276                                   |
| Granted during the year    |   |  |   |  |
| - before share split       | RM2.10  | 1,050                                    | -   | -  |
| Lapsed during the year     | RM1.86  | (975)                                    | RM1.31  | (556)                                    |
| Exercised during the year  |   |  |   |  |
| - before share split       | RM0.97  | (2,167)                                  | RM0.85  | (1,254)                                  |
| - after share split        | RM0.65  | (1,552)                                  | -   | -  |
| Share split                | RM1.31  | 9,374                                    | -   | -  |
| Outstanding at 31 December | <u>RM0.66</u>                                   | <u>17,196</u>                            | <u>RM1.22</u>                                   | <u>11,466</u>                            |
| Exercisable at 31 December | <u>RM0.63</u>                                   | <u>2,271</u>                             | <u>RM0.94</u>                                   | <u>2,658</u>                             |

The options outstanding at 31 December 2013 have an exercise price in the range of RM0.45 to RM1.05 and a weighted average contractual life of 0.9 years as a result of the extension of the scheme.

**16. EMPLOYEE BENEFITS (CONT'D)**

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

Prior to the subdivision of one ordinary share of RM0.20 each into two ordinary shares of RM0.10 each, 2,166,634 (2012: 1,253,996) 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 RM0.97 (2012: RM0.85) per ordinary share.

Subsequently, 1,552,000 new ordinary shares of RM0.10 each were issued for cash arising from the exercise of Employee Share Options at a weighted average exercise price of approximately RM0.65 per ordinary share.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a trinomial lattice model, with the following inputs:

| <b>Fair value of share options and assumptions</b>            | <b>Eligible employees<br/>2013</b> |
|---|------------------------------------|
| Fair value at grant date                                      | <u>0.36</u>                        |
| Weighted average share price                                  | 2.33                               |
| Exercise price  | 2.10                               |
| Expected volatility (weighted average volatility)             | 32.78%                             |
| Option life (expected weighted average life)                  | 1.89 years                         |
| Expected dividends  | 17 sen                             |
| Risk-free interest rate (based on Malaysian government bonds) | <u>2.96%</u>                       |

**Value of employee services received for issue of share options**

|  | Note | Group         |                        | Company       |               |
|--|------|---------------|------------------------|---------------|---------------|
|  |      | 2013<br>RM    | 2012<br>RM<br>Restated | 2013<br>RM    | 2012<br>RM    |
| Share options granted in 2010                    |      | <u>60,135</u> | <u>81,204</u>          | <u>60,135</u> | <u>81,204</u> |
| Total expense recognised as share-based payments | 21   | <u>60,135</u> | <u>81,204</u>          | <u>60,135</u> | <u>81,204</u> |

**17. DISCONTINUED OPERATIONS**

On 19 February 2014, the Group announced that it had entered into a conditional share sale agreement with SEEK Asia Investments Pte Ltd for the disposal of its online job portal business for an aggregate consideration of RM1,730,000,000. The proposal involved the disposal of the entire equity interests in JobStreet.com Pte. Ltd. and its subsidiaries (other than Enepro Pte. Ltd. and JobStreet.com India Pvt. Ltd.) and Agensi Pekerjaan JS Staffing Services Sdn. Bhd. (collectively known as the "Disposal Group").

The Disposal Group was not a discontinued operation or classified as held for sale as at 31 December 2012 and the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Efforts to sell the Disposal Group have commenced at the end of 2013 and the sale is expected to be completed in the next twelve months.

Profit attributable to the discontinued operations is as follows:

**Results of discontinued operations**

|   | <b>2013</b>       | <b>Group</b>      |
|---|-------------------|-------------------|
|   | <b>RM</b>         | <b>2012</b>       |
|   |                   | <b>RM</b>         |
| Revenue   | 169,095,564       | 148,316,114       |
| Other operating income  | 1,432,569         | 1,562,526         |
| Advertising expenses  | (4,919,942)       | (4,768,754)       |
| Contract and outsourcing cost   | (12,336,630)      | (15,414,483)      |
| Depreciation of property and equipment  | (2,647,952)       | (2,179,142)       |
| Rental of office and equipment  | (1,691,170)       | (1,823,956)       |
| Staff costs   | (52,185,258)      | (50,454,523)      |
| Telecommunication expenses  | (1,839,862)       | (1,809,918)       |
| Travelling expenses   | (1,108,563)       | (1,047,286)       |
| Other operating expenses  | (17,561,535)      | (13,681,672)      |
| <b>Results from operating activities</b>  | <b>76,237,221</b> | <b>58,698,906</b> |
| Interest income   | 1,135,482         | 1,532,106         |
| (Loss)/Gain on financial assets classified as fair value<br>though profit or loss | (194,044)         | 3,350,903         |
| <b>Profit before tax</b>  | <b>77,178,659</b> | <b>63,581,915</b> |
| Tax expense   | (18,434,700)      | (14,966,740)      |
| <b>Profit for the year</b>  | <b>58,743,959</b> | <b>48,615,175</b> |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. DISCONTINUED OPERATIONS (CONT'D)

**Profit before tax is arrived at after charging**

|  | Group      |            |
|--|------------|------------|
|  | 2013<br>RM | 2012<br>RM |
| Auditor's remuneration                           |            |            |
| Statutory audit                                  |            |            |
| KPMG Malaysia                                    | 98,000     | 76,000     |
| Other auditors                                   | 17,518     | 19,080     |
| Affiliates                                       | 142,865    | 110,596    |
| Other services                                   |            |            |
| Local affiliates of KPMG Malaysia                | 141,260    | 40,039     |
| Overseas affiliates of KPMG Malaysia             | -          | 23,792     |
| Impairment loss on trade receivables             | 56,344     | 181,769    |
| Net bad debts written off                        | 30,757     | 30,683     |
| Property and equipment written off               | 4,124      | 9,031      |
| Contribution to state plans                      | 4,022,008  | 3,973,314  |
| Share-based payments                             | 480,886    | 449,816    |
| Depreciation of property and equipment           | 2,647,952  | 2,179,142  |
| Realised foreign exchange loss                   | -          | 129,408    |
|  | <hr/>      | <hr/>      |
| <b>and crediting</b>                             |            |            |
| Reversal of impairment loss on trade receivables | 76,385     | 84,200     |
| Gain on disposal of property and equipment       | 2,058      | 27,489     |
| Realised foreign exchange gain                   | 85,645     | -          |
| Unrealised foreign exchange gain                 | 112,212    | 250,451    |
| Investment distribution income                   | 602,075    | 515,858    |
| Grant income                                     | 12,977     | -          |
| Dividend income from quoted investment           | 551,883    | 685,628    |
|  | <hr/>      | <hr/>      |

**Cash flows from/(used in) discontinued operations**

|                                       | Group       |             |
|---------------------------------------|-------------|-------------|
|                                       | 2013<br>RM  | 2012<br>RM  |
| Net cash from operating activities    | 12,590,981  | 25,841,790  |
| Net cash used in investing activities | (2,739,534) | (7,860,261) |
| Net cash used in financing activities | (5,231,000) | (3,945,663) |
|                                       | <hr/>       | <hr/>       |
|                                       | 4,620,447   | 14,035,866  |
|                                       | <hr/>       | <hr/>       |

The profit from discontinued operations are attributable as follows:-

|                                | Group      |            |
|--------------------------------|------------|------------|
|                                | 2013<br>RM | 2012<br>RM |
| <b>Profit attributable to:</b> |            |            |
| Owners of the Company          | 54,172,901 | 45,519,828 |
| Non-controlling interests      | 4,571,058  | 3,095,347  |
| <b>Profit for the year</b>     | <hr/>      | <hr/>      |
|                                | 58,743,959 | 48,615,175 |
|                                | <hr/>      | <hr/>      |



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. REVENUE

| Group                                  | Continuing operations |                                     | Discontinued operations<br>(see Note 17) |                        | Total              |                    |
|--|-----------------------|-------------------------------------|--|------------------------|--------------------|--------------------|
|  | 2013<br>RM            | 2012<br>RM<br>Restated <sup>*</sup> | 2013<br>RM                               | 2012<br>RM<br>Restated | 2013<br>RM         | 2012<br>RM         |
| Services                               | 4,259,786             | 7,411,596                           | 169,095,564                              | 148,316,114            | 173,355,350        | 155,727,710        |
| Dividends<br>from other<br>investments | 4,064,427             | 4,974,725                           | -  | -                      | 4,064,427          | 4,974,725          |
| Investment<br>distribution<br>income   | 236,060               | 86,739                              | -  | -                      | 236,060            | 86,739             |
|  | <u>8,560,273</u>      | <u>12,473,060</u>                   | <u>169,095,564</u>                       | <u>148,316,114</u>     | <u>177,655,837</u> | <u>160,789,174</u> |
| <b>Company</b>                         |                       |                                     |  |                        |                    |                    |
| Services                               | 1,061,808             | 1,246,648                           | -  | -                      | 1,061,808          | 1,246,648          |
| Dividends                              |                       |                                     |  |                        |                    |                    |
| - from subsidiaries                    | 80,862,000            | 28,664,682                          | -  | -                      | 80,862,000         | 28,664,682         |
| - from an associate                    | 3,820,692             | 4,763,940                           | -  | -                      | 3,820,692          | 4,763,940          |
| - from other<br>investments            | 4,064,427             | 4,974,725                           | -  | -                      | 4,064,427          | 4,974,725          |
| Investment<br>distribution<br>income   | 236,060               | 86,739                              | -  | -                      | 236,060            | 86,739             |
|  | <u>90,044,987</u>     | <u>39,736,734</u>                   | <u>-</u>                                 | <u>-</u>               | <u>90,044,987</u>  | <u>39,736,734</u>  |

\* Not applicable for the Company

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. PROFIT BEFORE TAX

|   | Note | Group<br>2013<br>RM | 2012<br>RM<br>Restated | Company<br>2013<br>RM | 2012<br>RM        |
|---|------|---------------------|------------------------|-----------------------|-------------------|
| Profit before tax is arrived<br>at after charging:  |      |                     |                        |                       |                   |
| Auditors' remuneration                              |      |                     |                        |                       |                   |
| - Statutory audit                                   |      |                     |                        |                       |                   |
| KPMG Malaysia                                       |      | 79,000              | 79,000                 | 70,000                | 70,000            |
| Other auditors                                      |      | 16,754              | 13,372                 | -                     | -                 |
| - Other services                                    |      |                     |                        |                       |                   |
| KPMG Malaysia                                       |      | 16,000              | 56,000                 | 16,000                | 56,000            |
| Local affiliates of<br>KPMG Malaysia                |      | 204,800             | 29,800                 | 204,800               | 29,800            |
| Overseas affiliates of<br>KPMG Malaysia             |      | -                   | 14,981                 | -                     | 14,981            |
| Other auditors                                      |      | 28,507              | 55,508                 | -                     | -                 |
| Impairment loss on<br>trade receivables             | 26   | 41,553              | 76,440                 | -                     | 60,003            |
| Net bad debts written off                           |      | 98,546              | 9,278                  | 6,300                 | -                 |
| Realised foreign exchange<br>loss                   |      | 70,350              | 175,368                | 39,728                | 151,527           |
| Unrealised foreign<br>exchange loss                 |      | 27,834              | 78,566                 | 19,871                | 15                |
|   |      | <u>          </u>   | <u>          </u>      | <u>          </u>     | <u>          </u> |
| and crediting:                                      |      |                     |                        |                       |                   |
| Rental income from<br>premises                      |      | -                   | -                      | 50,400                | 50,400            |
| Reversal of impairment<br>loss on trade receivables | 26   | 91,430              | 45,160                 | 74,073                | 6,426             |
|   |      | <u>          </u>   | <u>          </u>      | <u>          </u>     | <u>          </u> |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**20. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel compensations are as follows:

|                                      | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                      | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| Directors                            |                    |                    |                    |                    |
| - Fees                               | 217,500            | 217,500            | 217,500            | 217,500            |
| - Remuneration                       | 1,519,215          | 1,250,567          | -                  | -                  |
| Total employees' short-term benefits | 1,736,715          | 1,468,067          | 217,500            | 217,500            |
| Other key management personnel:      |                    |                    |                    |                    |
| - Remuneration                       | 1,913,537          | 1,650,738          | -                  | -                  |
|                                      | <u>3,650,252</u>   | <u>3,118,805</u>   | <u>217,500</u>     | <u>217,500</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.

**21. STAFF COSTS**

|                                      | <b>Note</b> | <b>Group</b>       |                                 | <b>Company</b>     |                    |
|--------------------------------------|-------------|--------------------|---------------------------------|--------------------|--------------------|
|                                      |             | <b>2013<br/>RM</b> | <b>2012<br/>RM<br/>Restated</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| Salaries and other employee benefits |             | 1,661,166          | 2,564,104                       | 60,200             | 132,223            |
| Contributions to state plans         |             | 177,785            | 251,335                         | 8,212              | 14,596             |
| Share-based payments                 | 16          | 60,135             | 81,204                          | 60,135             | 81,204             |
|                                      |             | <u>1,899,086</u>   | <u>2,896,643</u>                | <u>128,547</u>     | <u>228,023</u>     |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. TAX EXPENSE

|  | Group             |                        | Company           |                   |
|--|-------------------|------------------------|-------------------|-------------------|
|  | 2013<br>RM        | 2012<br>RM<br>Restated | 2013<br>RM        | 2012<br>RM        |
| <b>Continuing operation</b>  |                   |                        |                   |                   |
| Tax expense on:  |                   |                        |                   |                   |
| - Continuing operations  | 409,376           | 634,185                | 403,533           | 627,236           |
| - Discontinued operations  | 18,434,700        | 14,966,740             | -                 | -                 |
| Total tax expense  | <u>18,844,076</u> | <u>15,600,925</u>      | <u>403,533</u>    | <u>627,236</u>    |
| <b>Current tax expense</b>   |                   |                        |                   |                   |
| Malaysia - current   | 11,246,310        | 10,399,889             | 27,300            | 44,889            |
| - prior year   | 22,691            | 68,182                 | (7,061)           | (13,152)          |
| Overseas - current   | 9,060,912         | 6,363,809              | 383,294           | 595,499           |
| - prior year   | (1,095,449)       | (267,064)              | -                 | -                 |
| Total current tax recognised in profit or loss                               | <u>19,234,464</u> | <u>16,564,816</u>      | <u>403,533</u>    | <u>627,236</u>    |
| <b>Deferred tax expense</b>  |                   |                        |                   |                   |
| Reversal of temporary differences  | (390,388)         | (953,666)              | -                 | -                 |
| Overprovision in prior year  | -                 | (10,225)               | -                 | -                 |
| Total tax expense  | <u>18,844,076</u> | <u>15,600,925</u>      | <u>403,533</u>    | <u>627,236</u>    |
| <b>Reconciliation of tax expense</b>   |                   |                        |                   |                   |
| Profit for the year  | 65,982,460        | 61,425,885             | 87,417,178        | 38,672,434        |
| Total tax expense  | 18,844,076        | 15,600,925             | 403,533           | 627,236           |
| Share of profit of equity accounted associates and joint venture, net of tax | (6,232,186)       | (3,061,389)            | -                 | -                 |
| Adjusted profit before tax   | <u>78,594,350</u> | <u>73,965,421</u>      | <u>87,820,711</u> | <u>39,299,670</u> |
| Tax calculated using Malaysian tax rate of 25% (2012: 25%)                   | 19,648,587        | 18,491,355             | 21,955,178        | 9,824,917         |
| Effect of tax rates in foreign jurisdictions*                                | (749,277)         | (793,045)              | -                 | -                 |
| Effect of deferred tax assets (recognised)/ not recognised                   | (272,102)         | 126,338                | -                 | -                 |
| Tax incentives   | (1,244,072)       | (3,091,010)            | -                 | -                 |
| Non-taxable income   | (1,347,944)       | (1,073,131)            | (22,259,810)      | (10,697,931)      |
| Non-deductible expenses  | 1,727,632         | 802,785                | 331,932           | 917,903           |
| Taxes arising in foreign jurisdictions                                       | <u>2,154,010</u>  | <u>1,346,740</u>       | <u>383,294</u>    | <u>595,499</u>    |
|  | 19,916,834        | 15,810,032             | 410,594           | 640,388           |
| Over provided in prior year  | (1,072,758)       | (209,107)              | (7,061)           | (13,152)          |
| Tax expense  | <u>18,844,076</u> | <u>15,600,925</u>      | <u>403,533</u>    | <u>627,236</u>    |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**22. TAX EXPENSE (CONT'D)**

\* 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.

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.

**23. EARNINGS PER ORDINARY SHARE**

**Basic earnings per ordinary share**

The calculation of basic earnings per share at 31 December 2013 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

|   | <b>2013</b>       | <b>Group</b> | <b>2012</b>       |
|---|-------------------|--------------|-------------------|
|   | <b>RM</b>         |              | <b>RM</b>         |
|   |                   |              | <b>Restated</b>   |
| Profit for the year attributable to owners of the Company |                   |              |                   |
| - Continuing operations                                   | 7,242,549         |              | 12,811,546        |
| - Discontinued operations                                 | 54,172,901        |              | 45,519,828        |
|   | <u>61,415,450</u> |              | <u>58,331,374</u> |

**Weighted average number of ordinary shares**

|   | <b>2013</b>        | <b>Group</b> | <b>2012</b>        |
|---|--------------------|--------------|--------------------|
|   |                    |              | <b>Restated *</b>  |
| Issued ordinary shares at 1 January                       | 630,053,192        |              | 640,175,800        |
| Effect of treasury shares held                            | (632,452)          |              | (1,381,394)        |
| Effect of share options issued on 8 March 2012            | -                  |              | 862,110            |
| Effect of share options issued on 31 May 2012             | -                  |              | 834,858            |
| Effect of share options issued on 3 September 2012        | -                  |              | 5,738              |
| Effect of share options issued on 28 November 2012        | -                  |              | 1,300              |
| Effect of share options issued on 1 March 2013            | 851,602            |              | -                  |
| Effect of share options issued on 30 May 2013             | 1,621,693          |              | -                  |
| Effect of share options issued on 18 July 2013            | 205,890            |              | -                  |
| Effect of share options issued on 26 August 2013          | 44,575             |              | -                  |
| Effect of share options issued on 11 December 2013        | 89,293             |              | -                  |
| Weighted average number of ordinary shares at 31 December | <u>632,233,793</u> |              | <u>640,498,412</u> |

\*Accounted for the adjustment of share split which was completed on 5 September 2013.

**23. EARNINGS PER ORDINARY SHARE (CONT'D)**

**Basic earnings per ordinary share (cont'd)**

|   | <b>2013</b> | <b>Group</b><br><b>2012</b><br><b>Restated</b> |
|---|-------------|--|
| Basic earnings per ordinary share (sen) |             |  |
| - from continuing operations            | 1.14        | 2.00 <sup>*</sup>                              |
| - from discontinued operations          | 8.57        | 7.11 <sup>*</sup>                              |
|   | <u>9.71</u> | <u>9.11<sup>*</sup></u>                        |

**Diluted earnings per share**

The calculation of diluted earnings per ordinary share at 31 December 2013 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:

|   | <b>2013</b><br><b>RM</b> | <b>Group</b><br><b>2012</b><br><b>RM</b><br><b>Restated</b> |
|---|--------------------------|---|
| Profit for the year attributable to owners of the Company           |                          |   |
| - Continuing operations   | 7,242,549                | 12,811,546  |
| - Discontinued operations   | 54,172,901               | 45,519,828  |
|   | <u>61,415,450</u>        | <u>58,331,374</u>   |
| Weighted average number of ordinary shares at 31 December           | 632,233,793              | 640,498,412 <sup>*</sup>                                    |
| Effect of share options on issue                                    | 10,971,948               | 10,410,736 <sup>*</sup>                                     |
| Weighted average number of ordinary shares (diluted) at 31 December | <u>643,205,741</u>       | <u>650,909,148<sup>*</sup></u>                              |

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.

|                                  | <b>2013</b> | <b>Group</b><br><b>2012</b> |
|----------------------------------|-------------|-----------------------------|
| Diluted earnings per share (sen) |             |                             |
| - from continuing operations     | 1.13        | 1.97 <sup>*</sup>           |
| - from discontinued operations   | 8.42        | 6.99 <sup>*</sup>           |
|                                  | <u>9.55</u> | <u>8.96<sup>*</sup></u>     |

<sup>\*</sup> Accounted for the adjustment of share split which was completed on 5 September 2013.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**24. DIVIDENDS**

Dividends recognised in the current year by the Company are:

|                                 | <b>Sen per share</b>  | <b>Total<br/>amount<br/>RM</b> | <b>Date of payment</b> |
|---------------------------------|-----------------------|--------------------------------|------------------------|
| <b>2013</b>                     |                       |                                |                        |
| Fourth interim 2012 single tier | 1.75 per 20 sen share | 5,518,720                      | 29 March 2013          |
| Final 2012 single tier          | 2.75 per 20 sen share | 8,703,690                      | 28 June 2013           |
| First interim 2013 single tier  | 3.50 per 20 sen share | 11,077,425                     | 28 June 2013           |
| Second interim 2013 single tier | 1.75 per 10 sen share | 11,087,525                     | 27 September 2013      |
| Third interim 2013 single tier  | 1.75 per 10 sen share | <u>11,114,685</u>              | 26 December 2013       |
| Total amount                    |                       | <u>47,502,045</u>              |                        |
| <b>2012</b>                     |                       |                                |                        |
| Fourth interim 2011 single tier | 1.75 per 20 sen share | 5,610,771                      | 30 March 2012          |
| Final 2011 single tier          | 0.50 per 20 sen share | 1,605,337                      | 29 June 2012           |
| First interim 2012 single tier  | 1.50 per 20 sen share | 4,816,012                      | 29 June 2012           |
| Second interim 2012 single tier | 1.50 per 20 sen share | 4,816,069                      | 28 September 2012      |
| Third interim 2012 single tier  | 1.75 per 20 sen share | <u>5,558,524</u>               | 28 December 2012       |
| Total amount                    |                       | <u>22,406,713</u>              |                        |

The Company had on 19 February 2014 declared a fourth interim single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM11,181,658 in respect of the financial year ended 31 December 2013 which was paid on 27 March 2014. 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 ordinary share of RM0.10 each amounting to RM3,175,624 in respect of the financial year ended 31 December 2013. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2013, 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.

## 25. OPERATING SEGMENTS

In presenting information on the basis of operating segments, segment revenue is based on geographical location of customers. For each of the geographical segment, the Group's Chief Executive Officer reviews internal management reports 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 investments in associates and joint venture) 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 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.



25. OPERATING SEGMENTS (CONT'D)

| 2013  | Malaysia<br>RM     | Singapore<br>RM   | Philippines<br>RM | Others<br>RM      | Eliminations<br>RM   | Consolidated<br>RM |
|---|--------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| <b>Geographical segments</b>  |                    |                   |                   |                   |                      |                    |
| Revenue from external customers   | 1,726,424          | 886,480           | -                 | 1,646,882         | -                    | 4,259,786          |
| Dividends   | 88,747,119         | -                 | -                 | -                 | (84,682,692)         | 4,064,427          |
| Investment distribution income  | 236,060            | -                 | -                 | -                 | -                    | 236,060            |
| <b>Revenue from continuing operations</b>                                   | <b>90,709,603</b>  | <b>886,480</b>    | <b>-</b>          | <b>1,646,882</b>  | <b>(84,682,692)</b>  | <b>8,560,273</b>   |
| <b>Discontinued operations</b>  |                    |                   |                   |                   |                      |                    |
| Revenue from discontinued operations  | 121,651,259        | 47,369,135        | 36,600,377        | 9,235,676         | (45,760,883)         | 169,095,564        |
| <b>Revenue for the year</b>   | <b>212,360,862</b> | <b>48,255,615</b> | <b>36,600,377</b> | <b>10,882,558</b> | <b>(130,443,575)</b> | <b>177,655,837</b> |
| <b>Segment results</b>  |                    |                   |                   |                   |                      |                    |
| Results from operating activities   | 88,572,920         | 105,331           | -                 | (381,485)         | (84,460,817)         | 3,835,949          |
| Interest income   | 52,078             | -                 | -                 | 69,007            | -                    | 121,085            |
| Finance costs   | -                  | -                 | -                 | (2,679)           | -                    | (2,679)            |
| Loss on changes of interest in an associate                                 | (1,678,516)        | -                 | -                 | -                 | -                    | (1,678,516)        |
| Loss on financial assets classified as<br>fair value through profit or loss | (860,148)          | -                 | -                 | -                 | -                    | (860,148)          |
| Share of profit of equity accounted associates                              | 6,302,362          | -                 | -                 | -                 | -                    | 6,302,362          |
| Share of loss of a joint venture  | (70,176)           | -                 | -                 | -                 | -                    | (70,176)           |
| <b>Profit before tax</b>  | <b>92,318,520</b>  | <b>105,331</b>    | <b>-</b>          | <b>(315,157)</b>  | <b>(84,460,817)</b>  | <b>7,647,877</b>   |
| Income tax expense  | (403,550)          | -                 | -                 | (5,826)           | -                    | (409,376)          |
| <b>Profit from continuing operations</b>                                    | <b>91,914,970</b>  | <b>105,331</b>    | <b>-</b>          | <b>(320,983)</b>  | <b>(84,460,817)</b>  | <b>7,238,501</b>   |
| <b>Discontinued operations</b>  |                    |                   |                   |                   |                      |                    |
| Profit from discontinued operations, net of tax                             | 36,282,963         | 80,340,200        | 10,906,005        | 527,139           | (69,312,348)         | 58,743,959         |
| <b>Profit for the year</b>  | <b>128,197,933</b> | <b>80,445,531</b> | <b>10,906,005</b> | <b>206,156</b>    | <b>(153,773,165)</b> | <b>65,982,460</b>  |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. OPERATING SEGMENTS (CONT'D)

| 2013   | Malaysia<br>RM | Singapore<br>RM | Philippines<br>RM | Others<br>RM | Eliminations<br>RM | Consolidated<br>RM |
|--|----------------|-----------------|-------------------|--------------|--------------------|--------------------|
| <b>Segment assets</b>  |                |                 |                   |              |                    |                    |
| - Continuing operations  | 175,839,705    | 769,650         | -                 | 2,582,818    | -                  | 179,192,173        |
| - Discontinued operations  | 47,858,611     | 36,478,694      | 46,101,073        | 5,577,192    | -                  | 136,015,570        |
|  | 223,698,316    | 37,248,344      | 46,101,073        | 8,160,010    | -                  | 315,207,743        |
| <i>Included in the measure of segment assets are:</i>                                    |                |                 |                   |              |                    |                    |
| <i>Continuing operations</i>   |                |                 |                   |              |                    |                    |
| Investments in associates  | 91,285,688     | -               | -                 | -            | -                  | 91,285,688         |
| Non-current assets other than financial instruments and deferred tax assets              | 14,743,049     | 472             | -                 | 3,995        | -                  | 14,747,516         |
| Additions to non-current assets other than financial instruments and deferred tax assets | 6,600          | -               | -                 | 1,581        | -                  | 8,181              |
| Depreciation of property and equipment   | 120,964        | 424             | -                 | 1,533        | -                  | 122,921            |
| <i>Discontinued operation</i>  |                |                 |                   |              |                    |                    |
| Non-current assets other than financial instruments and deferred tax assets              | 4,155,721      | 220,772         | 1,353,626         | 575,266      | -                  | 6,305,385          |
| Additions to non-current assets other than financial instruments and deferred tax assets | 2,978,304      | 100,384         | 245,773           | 547,430      | -                  | 3,871,891          |
| Depreciation of property and equipment   | 1,870,750      | 129,227         | 359,870           | 288,105      | -                  | 2,647,952          |

25. OPERATING SEGMENTS (CONT'D)

| <b>2012 Restated</b>   | <b>Malaysia</b>    | <b>Singapore</b>  | <b>Philippines</b> | <b>Others</b>     | <b>Eliminations</b> | <b>Consolidated</b> |
|--|--------------------|-------------------|--------------------|-------------------|---------------------|---------------------|
| <b><i>Geographical segments</i></b>                                      | <b>RM</b>          | <b>RM</b>         | <b>RM</b>          | <b>RM</b>         | <b>RM</b>           | <b>RM</b>           |
| Revenue from external customers  | 1,673,023          | 1,321,425         | -                  | 4,417,148         | -                   | 7,411,596           |
| Dividends  | 38,403,347         | -                 | -                  | -                 | (33,428,622)        | 4,974,725           |
| Investment distribution income   | 86,739             | -                 | -                  | -                 | -                   | 86,739              |
| <b>Revenue from continuing operations</b>                                | <b>40,163,109</b>  | <b>1,321,425</b>  | <b>-</b>           | <b>4,417,148</b>  | <b>(33,428,622)</b> | <b>12,473,060</b>   |
| <b>Discontinued operations</b>   |                    |                   |                    |                   |                     |                     |
| Revenue from discontinued operations                                     | 113,926,016        | 38,407,432        | 28,592,245         | 6,595,895         | (39,205,474)        | 148,316,114         |
| <b>Revenue for the year</b>  | <b>154,089,125</b> | <b>39,728,857</b> | <b>28,592,245</b>  | <b>11,013,043</b> | <b>(72,634,096)</b> | <b>160,789,174</b>  |
| <b>Segment results</b>   |                    |                   |                    |                   |                     |                     |
| Results from operating activities  | 38,080,167         | 352,562           | -                  | (373,187)         | (33,025,063)        | 5,034,479           |
| Interest income  | 105,104            | -                 | -                  | 119,122           | -                   | 224,226             |
| Finance costs  | -                  | -                 | -                  | (7,237)           | -                   | (7,237)             |
| Gain on changes of interest in an associate                              | 931,038            | -                 | -                  | -                 | -                   | 931,038             |
| Impairment loss on investment in a joint venture                         | (3,316,465)        | -                 | -                  | -                 | 3,316,465           | -                   |
| Gain on financial assets classified as fair value through profit or loss | 101,000            | -                 | -                  | -                 | -                   | 101,000             |
| Reversal of impairment loss on investment in an associate                | 4,100,000          | -                 | -                  | -                 | -                   | 4,100,000           |
| Share of profit of equity accounted associates                           | 4,345,896          | -                 | -                  | -                 | -                   | 4,345,896           |
| Share of loss of a joint venture   | (1,284,507)        | -                 | -                  | -                 | -                   | (1,284,507)         |
| <b>Profit before tax</b>   | <b>43,062,233</b>  | <b>352,562</b>    | <b>-</b>           | <b>(261,302)</b>  | <b>(29,708,598)</b> | <b>13,444,895</b>   |
| Income tax expense   | (627,236)          | -                 | -                  | (6,949)           | -                   | (634,185)           |
| <b>Profit from continued operations</b>                                  | <b>42,434,997</b>  | <b>352,562</b>    | <b>-</b>           | <b>(268,251)</b>  | <b>(29,708,598)</b> | <b>12,810,710</b>   |
| <b>Discontinued operations</b>   |                    |                   |                    |                   |                     |                     |
| Profit from discontinued operations, net of tax                          | 31,730,565         | 29,370,527        | 8,018,507          | (244,737)         | (20,259,687)        | 48,615,175          |
| <b>Profit for the year</b>   | <b>74,165,562</b>  | <b>29,723,089</b> | <b>8,018,507</b>   | <b>(512,988)</b>  | <b>(49,968,285)</b> | <b>61,425,885</b>   |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. OPERATING SEGMENTS (CONT'D)

| 2012 Restated  | Malaysia<br>RM | Singapore<br>RM | Philippines<br>RM | Others<br>RM | Eliminations<br>RM | Consolidated<br>RM |
|--|----------------|-----------------|-------------------|--------------|--------------------|--------------------|
| <b>Segment assets</b>  |                |                 |                   |              |                    |                    |
| - Continuing operations  | 145,327,322    | 714,375         | -                 | 3,310,930    | -                  | 149,352,627        |
| - Discontinued operations  | 48,248,025     | 34,956,558      | 38,983,465        | 3,113,394    | -                  | 125,301,442        |
|  | 193,575,347    | 35,670,933      | 38,983,465        | 6,424,324    | -                  | 274,654,069        |
| <i>Included in the measure of segment assets are:</i>                                    |                |                 |                   |              |                    |                    |
| <i>Continuing operations</i>   |                |                 |                   |              |                    |                    |
| Investments in associates  | 86,064,909     | -               | -                 | -            | -                  | 86,064,909         |
| Investment in a joint venture  | 69,428         | -               | -                 | -            | -                  | 69,428             |
| Non-current assets other than financial instruments and deferred tax assets              | 14,723,905     | 876             | -                 | 4,170        | -                  | 14,728,951         |
| Additions to non-current assets other than financial instruments and deferred tax assets | 9,160          | 1,256           | -                 | 676          | -                  | 11,092             |
| Depreciation of property and equipment   | 120,756        | 459             | -                 | 1,548        | -                  | 122,763            |
| <i>Discontinued operations</i>   |                |                 |                   |              |                    |                    |
| Non-current assets other than financial instruments and deferred tax assets              | 3,181,717      | 247,687         | 1,484,950         | 561,381      | -                  | 5,475,735          |
| Additions to non-current assets other than financial instruments and deferred tax assets | 1,694,133      | 25,504          | 1,100,982         | 145,637      | -                  | 2,966,256          |
| Depreciation of property and equipment   | 1,380,438      | 125,351         | 341,150           | 332,203      | -                  | 2,179,142          |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.1 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”).

|  | <b>Carrying<br/>amount<br/>RM</b> | <b>L&amp;R<br/>RM</b> | <b>FVTPL<br/>-HFT<br/>RM</b>      | <b>AFS<br/>RM</b> |
|--|-----------------------------------|-----------------------|-----------------------------------|-------------------|
| <b>2013</b>  |                                   |                       |                                   |                   |
| <b>Financial assets</b>  |                                   |                       |                                   |                   |
| <b>Group</b>   |                                   |                       |                                   |                   |
| Other investments  | 68,120,470                        | -                     | 12,124,811                        | 55,995,659        |
| Trade, other receivables and<br>other assets (excluding<br>prepayment) | 1,266,398                         | 1,266,398             | -                                 | -                 |
| Cash and cash equivalents  | 3,648,245                         | 3,648,245             | -                                 | -                 |
|  | <u>73,035,113</u>                 | <u>4,914,643</u>      | <u>12,124,811</u>                 | <u>55,995,659</u> |
| <b>Company</b>   |                                   |                       |                                   |                   |
| Other investments  | 68,120,470                        | -                     | 12,124,811                        | 55,995,659        |
| Trade, other receivables and<br>other assets (excluding<br>prepayment) | 81,868,542                        | 81,868,542            | -                                 | -                 |
| Cash and cash equivalents  | 1,023,850                         | 1,023,850             | -                                 | -                 |
|  | <u>151,012,862</u>                | <u>82,892,392</u>     | <u>12,124,811</u>                 | <u>55,995,659</u> |
| <br>   |                                   |                       |                                   |                   |
|  |                                   |                       | <b>Carrying<br/>amount<br/>RM</b> | <b>OL<br/>RM</b>  |
| <b>2013</b>  |                                   |                       |                                   |                   |
| <b>Financial liabilities</b>   |                                   |                       |                                   |                   |
| <b>Group</b>   |                                   |                       |                                   |                   |
| Loan and borrowing   |                                   |                       | (43,945)                          | (43,945)          |
| Trade and other payables   |                                   |                       | (863,464)                         | (863,464)         |
|  |                                   |                       | <u>(907,409)</u>                  | <u>(907,409)</u>  |
| <b>Company</b>   |                                   |                       |                                   |                   |
| Trade and other payables   |                                   |                       | (29,157,203)                      | (29,157,203)      |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.1 Categories of financial instruments (cont'd)**

| 2012  | Carrying<br>amount<br>RM | L&R<br>RM         | FVTPL<br>-HFT<br>RM      | AFS<br>RM           |
|---|--------------------------|-------------------|--------------------------|---------------------|
| <b>Financial assets</b>   |                          |                   |                          |                     |
| <b>Group</b>  |                          |                   |                          |                     |
| Other investments   | 73,509,603               | -                 | 35,612,935               | 37,896,668          |
| Trade, other receivables and<br>other assets (excluding prepayment) | 16,698,563               | 16,698,563        | -                        | -                   |
| Cash and cash equivalents   | 71,859,885               | 71,859,885        | -                        | -                   |
|   | <u>162,068,051</u>       | <u>88,558,448</u> | <u>35,612,935</u>        | <u>37,896,668</u>   |
| <b>Company</b>  |                          |                   |                          |                     |
| Other investments   | 42,608,806               | -                 | 4,712,138                | 37,896,668          |
| Trade, other receivables and<br>other assets (excluding prepayment) | 24,201,104               | 24,201,104        | -                        | -                   |
| Cash and cash equivalents   | 1,320,568                | 1,320,568         | -                        | -                   |
|   | <u>68,130,478</u>        | <u>25,521,672</u> | <u>4,712,138</u>         | <u>37,896,668</u>   |
|   |                          |                   | Carrying<br>amount<br>RM | OL<br>RM            |
| <b>2012</b>   |                          |                   |                          |                     |
| <b>Financial liabilities</b>  |                          |                   |                          |                     |
| <b>Group</b>  |                          |                   |                          |                     |
| Loan and borrowing  |                          |                   | (198,220)                | (198,220)           |
| Trade and other payables  |                          |                   | (15,787,011)             | (15,787,011)        |
|   |                          |                   | <u>(15,985,231)</u>      | <u>(15,985,231)</u> |
| <b>Company</b>  |                          |                   |                          |                     |
| Trade and other payables  |                          |                   | (1,924,588)              | (1,924,588)         |

**26.2 Net gains and losses arising from financial instruments**

|  | Group             |                        | Company           |                  |
|--|-------------------|------------------------|-------------------|------------------|
|  | 2013<br>RM        | 2012<br>RM<br>Restated | 2013<br>RM        | 2012<br>RM       |
| Net gains/(losses) on:                           |                   |                        |                   |                  |
| Fair value through profit<br>or loss             |                   |                        |                   |                  |
| - held for trading                               | (860,148)         | 101,000                | (860,148)         | 101,000          |
| Available-for-sale<br>financial assets           |                   |                        |                   |                  |
| - recognised in other<br>comprehensive<br>income | 13,269,000        | 2,472,000              | 13,269,000        | 2,472,000        |
| Loans and receivables                            | (25,768)          | (70,266)               | 60,225            | (100,044)        |
| Other liabilities                                | (2,679)           | (7,237)                | -                 | -                |
|  | <u>12,380,405</u> | <u>2,495,497</u>       | <u>12,469,077</u> | <u>2,472,956</u> |

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### 26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 26.4 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.4 Credit risk (cont'd)**

**Receivables (cont'd)**

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

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

|             | <b>2013<br/>RM</b> | <b>Group<br/>2012<br/>RM</b> |
|-------------|--------------------|------------------------------|
| Malaysia    | 500,336            | 6,162,320                    |
| Singapore   | 70,740             | 3,479,693                    |
| Philippines | -                  | 2,506,577                    |
| Others      | 166,269            | 932,106                      |
|             | <u>737,345</u>     | <u>13,080,696</u>            |

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

| <b>Group</b>                | <b>Gross<br/>RM</b> | <b>Impairment<br/>losses<br/>RM</b> | <b>Net<br/>RM</b> |
|-----------------------------|---------------------|-------------------------------------|-------------------|
| <b>2013</b>                 |                     |                                     |                   |
| Not past due                | 255,611             | (908)                               | 254,703           |
| Past due 1 - 30 days        | 193,382             | (37,563)                            | 155,819           |
| Past due 31 - 180 days      | 326,883             | -                                   | 326,883           |
| Past due more than 180 days | 60,153              | (60,213)                            | (60)              |
|                             | <u>836,029</u>      | <u>(98,684)</u>                     | <u>737,345</u>    |
| <b>2012</b>                 |                     |                                     |                   |
| Not past due                | 7,158,576           | (2,812)                             | 7,155,764         |
| Past due 1 - 30 days        | 4,068,546           | (21,253)                            | 4,047,293         |
| Past due 31 - 180 days      | 1,691,876           | (29,555)                            | 1,662,321         |
| Past due more than 180 days | 807,957             | (592,639)                           | 215,318           |
|                             | <u>13,726,955</u>   | <u>(646,259)</u>                    | <u>13,080,696</u> |
| <b>Company</b>              |                     |                                     |                   |
| <b>2013</b>                 |                     |                                     |                   |
| Not past due                | 66,886              | -                                   | 66,886            |
| Past due 1 - 30 days        | 96,133              | -                                   | 96,133            |
| Past due 31 - 180 days      | 109,780             | -                                   | 109,780           |
| Past due more than 180 days | (60)                | -                                   | (60)              |
|                             | <u>272,739</u>      | <u>-</u>                            | <u>272,739</u>    |
| <b>2012</b>                 |                     |                                     |                   |
| Not past due                | 90,206              | -                                   | 90,206            |
| Past due 1 - 30 days        | 59,724              | -                                   | 59,724            |
| Past due 31 - 180 days      | 90,129              | -                                   | 90,129            |
| Past due more than 180 days | 74,073              | (74,073)                            | -                 |
|                             | <u>314,132</u>      | <u>(74,073)</u>                     | <u>240,059</u>    |



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.4 Credit risk (cont'd)**

**Receivables (cont'd)**

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

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

|                                  | <b>Group</b>       |                    | <b>Company</b>     |                    |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                  | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| At 1 January                     | 646,259            | 725,059            | 74,073             | 20,496             |
| Transfer to assets held for sale | (449,968)          | -                  | -                  | -                  |
| Impairment loss recognised       | 41,553             | 258,208            | -                  | 60,003             |
| Impairment loss reversed         | (91,430)           | (129,360)          | (74,073)           | (6,426)            |
| Impairment loss written off      | (47,730)           | (207,648)          | -                  | -                  |
|                                  | <u>98,684</u>      | <u>646,259</u>     | <u>-</u>           | <u>74,073</u>      |
| At 31 December                   | 98,684             | 646,259            | -                  | 74,073             |

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.

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.

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.4 Credit risk (cont'd)**

**Receivables (cont'd)**

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

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.

**26.5 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, loan and borrowing.

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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

***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:

|   | <b>Carrying<br/>amount<br/>RM</b> | <b>Contractual<br/>interest<br/>rate</b> | <b>Contractual<br/>cash flows<br/>RM</b> | <b>Within<br/>1 year<br/>RM</b> | <b>1 - 5<br/>years<br/>RM</b> |
|---|-----------------------------------|--|--|---------------------------------|-------------------------------|
| <b>Group<br/>2013</b>                           |                                   |  |  |                                 |                               |
| <i>Non-derivative<br/>financial liabilities</i> |                                   |  |  |                                 |                               |
| Unsecured bank<br>loan ("JPY")                  | 43,945                            | 2.5%                                     | 45,044                                   | 45,044                          | -                             |
| Trade and other<br>payables                     | 863,464                           |  | 863,464                                  | 863,464                         | -                             |
|   | <hr/> 907,409                     |  | <hr/> 908,508                            | <hr/> 908,508                   | <hr/> -                       |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.5 Liquidity risk (cont'd)**

|   | Carrying<br>amount<br>RM | Contractual<br>interest<br>rate | Contractual<br>cash flows<br>RM | Within<br>1 year<br>RM | 1 - 5<br>years<br>RM |
|---|--------------------------|---------------------------------|---------------------------------|------------------------|----------------------|
| <b>Group<br/>2012</b>                           |                          |                                 |                                 |                        |                      |
| <i>Non-derivative<br/>financial liabilities</i> |                          |                                 |                                 |                        |                      |
| Unsecured bank<br>loan ("JPY")                  | 198,220                  | 2.5%                            | 203,176                         | 151,944                | 51,232               |
| Trade and other<br>payables                     | 15,787,011               | -                               | 15,787,011                      | 15,787,011             | -                    |
|   | <u>15,985,231</u>        |                                 | <u>15,990,187</u>               | <u>15,938,955</u>      | <u>51,232</u>        |
| <b>Company<br/>2013</b>                         |                          |                                 |                                 |                        |                      |
| <i>Non-derivative<br/>financial liabilities</i> |                          |                                 |                                 |                        |                      |
| Trade and other<br>payables                     | 29,157,203               | -                               | 29,157,203                      | 29,157,203             | -                    |
|   | <u>29,157,203</u>        |                                 | <u>29,157,203</u>               | <u>29,157,203</u>      | <u>-</u>             |
| <b>2012</b>                                     |                          |                                 |                                 |                        |                      |
| <i>Non-derivative<br/>financial liabilities</i> |                          |                                 |                                 |                        |                      |
| Trade and other<br>payables                     | 1,924,588                | -                               | 1,924,588                       | 1,924,588              | -                    |
|   | <u>1,924,588</u>         |                                 | <u>1,924,588</u>                | <u>1,924,588</u>       | <u>-</u>             |

**26.6 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.

**26.6.1 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 currency giving rise to this risk is primarily U.S. Dollar ("USD"). The Group does not hedge its currency risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.6 Market risk (cont'd)**

**26.6.1 Currency risk (cont'd)**

*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:

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| Trade receivables ("USD")                                   | 5,794              | 740,974            | 5,794              | 82,927             |
| <b>Exposure in the statements<br/>of financial position</b> | <b>5,794</b>       | <b>740,974</b>     | <b>5,794</b>       | <b>82,927</b>      |

*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% (2012: 10%) strengthening of the RM against the USD at the end of the reporting period would have increased/(decreased) equity and post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variance that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant.

|                | <b>2013</b>          |                                  | <b>2012</b>          |                                  |
|----------------|----------------------|----------------------------------|----------------------|----------------------------------|
|                | <b>Equity<br/>RM</b> | <b>Profit<br/>or loss<br/>RM</b> | <b>Equity<br/>RM</b> | <b>Profit<br/>or loss<br/>RM</b> |
| <b>Group</b>   |                      |                                  |                      |                                  |
| <i>USD</i>     | (435)                | (435)                            | (55,573)             | (55,573)                         |
| <b>Company</b> |                      |                                  |                      |                                  |
| <i>USD</i>     | (435)                | (435)                            | (6,220)              | (6,220)                          |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.6 Market risk (cont'd)**

**26.6.1 Currency risk (cont'd)**

*Currency risk sensitivity analysis (continued)*

A 10% (2012: 10%) weakening of RM against the USD at the end of the reporting period would have had equal but opposite effect on the USD to the amounts shown above, on the basis that all other variables remained constant.

**26.6.2 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. Investment in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Deposits are placed with licensed banks with varying maturity dates.

*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:

|                               | <b>Group</b> |             | <b>Company</b> |             |
|-------------------------------|--------------|-------------|----------------|-------------|
|                               | <b>2013</b>  | <b>2012</b> | <b>2013</b>    | <b>2012</b> |
|                               | <b>RM</b>    | <b>RM</b>   | <b>RM</b>      | <b>RM</b>   |
| <b>Fixed rate instruments</b> |              |             |                |             |
| Financial assets              |              |             |                |             |
| Deposits with licensed banks  | 1,003,253    | 45,004,350  | -              | -           |
|                               | <hr/>        | <hr/>       | <hr/>          | <hr/>       |
| Financial liabilities         |              |             |                |             |
| Unsecured bank loan ("JPY")   | (43,945)     | (198,220)   | -              | -           |
|                               | <hr/>        | <hr/>       | <hr/>          | <hr/>       |

*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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.6 Market risk (cont'd)**

**26.6.3 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 and long term quoted investments moved in correlation with the stock exchange of Malaysia, Singapore and Hong Kong.

A 10% (2012: 10%) strengthening in the abovementioned stock exchanges and financial markets at the end of the reporting period would result in the following impact to equity and profit and loss:

|                              | 2013             |                         | 2012             |                         |
|------------------------------|------------------|-------------------------|------------------|-------------------------|
|                              | Equity<br>RM     | Profit<br>or loss<br>RM | Equity<br>RM     | Profit<br>or loss<br>RM |
| <b>Group</b>                 |                  |                         |                  |                         |
| Long term other investments  | 5,026,637        | -                       | 3,129,152        | -                       |
| Short term other investments | 1,212,481        | 1,212,481               | 3,561,294        | 3,561,294               |
|                              | <u>5,026,637</u> | <u>1,212,481</u>        | <u>3,129,152</u> | <u>3,561,294</u>        |
| <b>Company</b>               |                  |                         |                  |                         |
| Long term other investments  | 5,026,637        | -                       | 3,129,152        | -                       |
| Short term other investments | 1,212,481        | 1,212,481               | 471,214          | 471,214                 |
|                              | <u>5,026,637</u> | <u>1,212,481</u>        | <u>471,214</u>   | <u>471,214</u>          |

A 10% (2012: 10%) weakening in the abovementioned stock exchanges and financial markets would have had equal but opposite effect on equity and profit or loss respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair value information

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 table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amounts shown in the statement of financial position.

|                              | Fair value of financial instruments carried at fair value |               |               |             | Fair value of financial instruments not carried at fair value |               |               |             | Total fair value<br>RM | Carrying amount<br>RM |
|------------------------------|---|---------------|---------------|-------------|---|---------------|---------------|-------------|------------------------|-----------------------|
|                              | Level 1<br>RM   | Level 2<br>RM | Level 3<br>RM | Total<br>RM | Level 1<br>RM   | Level 2<br>RM | Level 3<br>RM | Total<br>RM |                        |                       |
| <b>2013 Group</b>            |   |               |               |             |   |               |               |             |                        |                       |
| <b>Financial assets</b>      |   |               |               |             |   |               |               |             |                        |                       |
| Investments in quoted shares | 68,120,470  | -             | -             | 68,120,470  | -   | -             | -             | -           | 68,120,470             | 68,120,470            |
|                              | 68,120,470  | -             | -             | 68,120,470  | -   | -             | -             | -           | 68,120,470             | 68,120,470            |
| <b>2013 Company</b>          |   |               |               |             |   |               |               |             |                        |                       |
| <b>Financial assets</b>      |   |               |               |             |   |               |               |             |                        |                       |
| Investments in quoted shares | 68,120,470  | -             | -             | 68,120,470  | -   | -             | -             | -           | 68,120,470             | 68,120,470            |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7.1 Fair value hierarchy (cont'd)

|                              | Fair value of financial instruments carried at fair value |            |            |            | Fair value of financial instruments not carried at fair value * | Total fair value RM | Carrying amount RM |
|------------------------------|---|------------|------------|------------|---|---------------------|--------------------|
|                              | Level 1 RM  | Level 2 RM | Level 3 RM | Total RM   |   |                     |                    |
| <b>2012 Group</b>            |   |            |            |            |   |                     |                    |
| <b>Financial assets</b>      |   |            |            |            |   |                     |                    |
| Investments in quoted shares | 73,509,603  | -          | -          | 73,509,603 | -   | 73,509,603          | 73,509,603         |
| <b>Financial liabilities</b> |   |            |            |            |   |                     |                    |
| Unsecured bank loan ("JPY")  | -   | -          | -          | -          | (192,197)   | (192,197)           | (198,220)          |
|                              | 73,509,603  | -          | -          | 73,509,603 | (192,197)   | 73,317,406          | 73,311,383         |
| <b>Company</b>               |   |            |            |            |   |                     |                    |
| <b>2012</b>                  |   |            |            |            |   |                     |                    |
| <b>Financial assets</b>      |   |            |            |            |   |                     |                    |
| Investments in quoted shares | 42,608,806  | -          | -          | 42,608,806 | -   | 42,608,806          | 42,608,806         |

\* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of MFRS 13.



**26. FINANCIAL INSTRUMENTS (CONT'D)**

**26.7.1 Fair value hierarchy (cont'd)**

**Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

**Level 1 fair value**

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

**Level 2 fair value**

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

**Transfer between Level 1 and Level 2 fair values**

There has been no transfer between Level 1 and Level 2 fair values during the financial year. (2012: no transfer in either direction)

**Level 3 fair value**

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

In the previous year, the loans and borrowings used the discounted cashflow method to arrive at the fair value.

**27. 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.

**28. CAPITAL COMMITMENTS**

|                                    | <b>Group</b>       |                    | <b>Company</b>     |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| <b>Property and equipment</b>      |                    |                    |                    |                    |
| Contracted but not provided for:   | 578,849            | 977,228            | 7,437              | 7,437              |
| <b>Investments in subsidiaries</b> |                    |                    |                    |                    |
| Authorised but not contracted for: | 135,471,838        | -                  | -                  | -                  |

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**29. CONTINGENT LIABILITIES - UNSECURED**

|  | <b>Company</b> |             |
|--|----------------|-------------|
|  | <b>2013</b>    | <b>2012</b> |
|  | <b>RM</b>      | <b>RM</b>   |
| Corporate guarantees given to licensed banks for credit facilities granted to a subsidiary | -              | 13,774,200  |
|  | <hr/>          | <hr/>       |

**30. 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 or the Company 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 or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its associates, subsidiaries and key management personnel.

**Significant related party transactions**

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 20), are as follows:

|   | <b>Transactions value</b> |             |
|---|---------------------------|-------------|
|   | <b>year ended</b>         |             |
|   | <b>31 December</b>        |             |
|   | <b>2013</b>               | <b>2012</b> |
|   | <b>RM</b>                 | <b>RM</b>   |
| <b>Group</b>                              |                           |             |
| <b>Associate</b>                          |                           |             |
| Sale of services                          | (130,115)                 | (174,297)   |
| Purchase of services                      | -                         | 5,300       |
|   | <hr/>                     | <hr/>       |
| <b>Company</b>                            |                           |             |
| <b>Subsidiaries</b>                       |                           |             |
| Technical and management services charges | 206,283                   | 246,110     |
| Rental income                             | (50,400)                  | (50,400)    |
| <b>Associate</b>                          |                           |             |
| Sale of services                          | (35,000)                  | (158,900)   |
|   | <hr/>                     | <hr/>       |

Balances with subsidiaries are as disclosed in Note 9 and Note 15.

**31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 12 March 2013, pursuant to the Shareholders' Agreement and Supplemental Agreement entered between JobStreet.com Pte. Ltd. ("JSPL") and the non-controlling interest of JS Vietnam Holdings Pte. Ltd. ("JSVNH"), JSVNH issued and allotted 809,998 and 190,000 new ordinary shares of USD1.00 each to JSPL and the non-controlling interest respectively. Following the allotment, JSPL's interest in JSVNH has decreased from 100% to 81%.
- (b) On 18 April 2013, the Company announced that JobStreet Corporation Berhad ("JCB") will re-organise its group structure by transferring its shareholdings in PT JobStreet Indonesia ("PTJS") and Agensi Pekerjaan JS Staffing Services Sdn. Bhd. ("APJSS") to JSPL, at their respective book values. Upon completion of the re-organisation, PTJS will be a 60% owned subsidiary of JSPL and APJSS will be a wholly-owned subsidiary of JSPL.

The transfer of shares in PTJS by JCB to JSPL was completed on 13 September 2013. At the date of this report, the transfer of APJSS has yet to be completed.

- (c) On 22 November 2013, JSVNH entered into a Capital Transfer Agreement with a third party to acquire 95% interest in Jobstreet Company Limited ("JCL") from a third party at a cash consideration of VND475,000,000 (equivalent to RM72,200).

At the date of this report, the acquisition has yet to be completed.

### 32. SUBSEQUENT EVENTS

- (a) On 9 January 2014, JSPL entered into a conditional Share Sale Agreement with the non-controlling interest of JSVNH to acquire 190,000 ordinary shares in JSVNH, representing 19% of the issued and paid-up share capital of JSVNH, for a consideration of RM1,195,838, satisfied entirely via the allotment and issuance of 522,200 new ordinary shares in JCB. This transaction has been completed on 17 March 2014.
- (b) On 13 January 2014, JSPL entered into a conditional share sale agreement with the non-controlling interest of PTJS to acquire 160 ordinary shares of USD1,000 each representing 40% of the total issued and paid-up share capital of PTJS, for a purchase price of RM13,740,000, satisfied entirely via the allotment of issuance of 6,000,000 new ordinary shares in JCB. This transaction has been completed on 28 March 2014.
- (c) On 4 February 2014, the Board of Directors of the Company announced that JCB will re-organise its group structure with the transfer of the shareholdings in Enerpro Pte. Ltd. ("Enerpro") and JobStreet.com India Private Limited ("JS India") held by JSPL to JCB at their respective book values as at 31 December 2013.

This re-organisation has been completed on 5 March 2014.

- (d) On 19 February 2014, the Company announced the :-
  - (i) Proposed acquisition by JSPL from the non-controlling interest of JobStreet.com Philippines, Inc ("JSPH") of the remaining 40% equity interest in JSPH, for a purchase price of RM120,536,000 to be satisfied entirely via the allotment and issuance of 49,400,000 new ordinary shares in JCB.
  - (ii) Conditional share sale agreement entered with SEEK Asia Investments Pte Ltd for the disposal of its online job portal business for an aggregate consideration of RM1,730,000,000. The proposal involved the disposal of the entire equity interests in JobStreet.com Pte. Ltd. and its subsidiaries (other than Enerpro and JS India) and Agensi Pekerjaan JS Staffing Services Sdn. Bhd..
  - (iii) Proposed distribution of approximately RM1,700,000,000 via a special cash dividend to the owners of the Company.

((i), (ii) and (iii) collectively known as the "Proposals").

The Proposals are subject to the approval of the shareholders at the forthcoming Extraordinary General Meeting to be held on 14 May 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> | <b>2013<br/>RM</b> | <b>2012<br/>RM</b> |
| Total retained earnings of the Company and its subsidiaries |                    |                    |                    |                    |
| - realised  | 126,697,304        | 113,593,641        | 132,404,571        | 91,590,887         |
| - unrealised  | 10,410,540         | 10,876,012         | (590,018)          | 289,985            |
|   | <u>137,107,844</u> | <u>124,469,653</u> | <u>131,814,553</u> | <u>91,880,872</u>  |
| Total share of retained earnings of associated companies:   |                    |                    |                    |                    |
| - realised  | 2,765,264          | 1,880,378          | -                  | -                  |
| - unrealised  | (103,161)          | (21,429)           | -                  | -                  |
|   | <u>139,769,947</u> | <u>126,328,602</u> | <u>131,814,553</u> | <u>91,880,872</u>  |
| Total share of accumulated losses of joint venture:         |                    |                    |                    |                    |
| - realised  | (3,155,674)        | (3,085,498)        | -                  | -                  |
|   | <u>136,614,273</u> | <u>123,243,104</u> | <u>131,814,553</u> | <u>91,880,872</u>  |
| Add: Consolidation adjustments                              | 12,276,966         | 11,716,182         | -                  | -                  |
| Total retained earnings                                     | <u>148,891,239</u> | <u>134,959,286</u> | <u>131,814,553</u> | <u>91,880,872</u>  |

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 39 to 120 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 as of 31 December 2013 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 33 on page 121 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**

Date: 30 April 2014

## 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 39 to 120 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 30 April 2014.

**GREGORY CHARLES POARCH**

Before me:

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 Berhad, which comprise the statements of financial position as at 31 December 2013 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 39 to 119.

### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible 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 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 4 to the financial statements.

**Report on Other Legal and Regulatory Requirements (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) The audit reports on the accounts of the subsidiaries did not contain any qualification or 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 33 on page 120 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 Malaysian Financial Reporting Standards or International 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: 2782/09/14(J)  
Chartered Accountant

Petaling Jaya,

Date: 30 April 2014



## LIST OF PROPERTIES

| Location   | Description                            | Existing Use            | Age of Building (Years) | Built-Up Area (Sq m) | Tenure   | Net Book Value as at 31.12.2013 (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 | 29                      | 3,917                | Freehold | 13,701,098                           | 6.12.2005           |
| 19, Jalan Sasa 3, Taman Gaya, 81800 Ulu Tiram, Johor Darul Takzim                              | 2-storey shop office                   | Sales office            | 6                       | 357                  | Freehold | 342,733                              | 19.5.2006           |

## ANALYSIS OF SHAREHOLDINGS

as at 6 May 2014

|                            |   |                                  |
|----------------------------|---|----------------------------------|
| Authorised Capital         | : | RM100,000,000.00                 |
| Issued And Paid-up Capital | : | RM64,495,193.40                  |
| Class of Share             | : | Ordinary shares of RM0.10 each   |
| Voting Right               | : | One vote per ordinary share held |

### DISTRIBUTION OF SHAREHOLDINGS

| Size of Shareholdings                    | No. of Shareholders | %             | No. of Shares      | %             |
|--|---------------------|---------------|--------------------|---------------|
| Less than 100 shares                     | 23                  | 1.39          | 604                | 0.00          |
| 100 – 1,000 shares                       | 305                 | 18.46         | 156,600            | 0.02          |
| 1,001 – 10,000 shares                    | 742                 | 44.92         | 3,409,430          | 0.53          |
| 10,001 – 100,000 shares                  | 390                 | 23.61         | 13,887,196         | 2.15          |
| 100,001 to less than 5% of issued shares | 187                 | 11.32         | 261,814,898        | 40.60         |
| 5% and above of issued shares            | 5                   | 0.30          | 365,683,206        | 56.70         |
| <b>Total</b>                             | <b>1,652</b>        | <b>100.00</b> | <b>644,951,934</b> | <b>100.00</b> |

### SUBSTANTIAL SHAREHOLDERS

(As per register of substantial shareholders)

| Name                                     | No. of Shares Held |       |             |      |
|--|--------------------|-------|-------------|------|
|  | Direct             | %     | Indirect    | %    |
| Seek International Investments Pty Ltd   | 141,026,572        | 21.87 | -           | -    |
| Chang Mun Kee                            | 64,200,754         | 9.95  | 10,000,000* | 1.55 |
| Wong Siew Hui                            | 59,843,130         | 9.28  | -           | -    |
| FIL Limited and **Pandanus Partners L.P. | -                  | -     | 32,508,100  | 5.04 |
| Ng Kay Yip                               | 52,346,620         | 8.12  | -           | -    |
| Lim Chao Li                              | 48,566,130         | 7.53  | -           | -    |

\* Registered in the name of HSBC Trustee (S) Ltd for Voyager Asset Limited, 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.

\*\* Pandanus Partners L.P. is deemed interested in the shares held by FIL Limited.

## 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    | 3,560,000          | 0.55 | 210,000 *    | 0.03 |
| Tan Sri Dato' Dr Lin See Yan | 6,760,000          | 1.05 | -            | -    |
| Chang Mun Kee                | 64,200,754         | 9.95 | 10,000,000** | 1.55 |
| Lim Chao Li                  | 48,566,130         | 7.53 | -            | -    |
| Ng Kay Yip                   | 52,346,620         | 8.12 | -            | -    |
| Suresh A/L Thirugnanam       | 25,050,820         | 3.88 | -            | -    |
| Yang Chi-Kuan                | -                  | -    | -            | -    |

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

\*\* Registered in the name of HSBC Trustee (S) Ltd for Voyager Asset Limited, 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.

### 30 LARGEST SHAREHOLDERS

| Name   | No. of Shares Held | %     |
|--|--------------------|-------|
| 1. HSBC Nominees (Asing) Sdn Bhd<br><i>SEEK International Investments Pty Ltd</i>  | 141,026,572        | 21.87 |
| 2. Chang Mun Kee   | 64,200,754         | 9.95  |
| 3. Wong Siew Hui   | 59,843,130         | 9.28  |
| 4. Ng Kay Yip  | 52,046,620         | 8.07  |
| 5. Lim Chao Li   | 48,566,130         | 7.53  |
| 6. Suresh A/L Thirugnanam  | 21,250,820         | 3.29  |
| 7. Cartaban Nominees (Asing) Sdn Bhd<br><i>BBH (LUX) SCA for Fidelity Funds Asean</i>  | 19,371,700         | 3.00  |
| 8. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN for the Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)</i> | 10,800,000         | 1.67  |
| 9. Gregory Charles Poarch  | 10,048,350         | 1.56  |
| 10. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN for JPMorgan Chase Bank, National Association (U.S.A)</i>                      | 9,065,000          | 1.41  |
| 11. Citigroup Nominees (Asing) Sdn Bhd<br><i>PLL for Acacia Partners LP</i>  | 8,926,000          | 1.38  |
| 12. HSBC Nominees (Tempatan) Sdn Bhd<br><i>HSBC (M) Trustee Bhd for Hwang Select Opportunity Fund (3969)</i>                     | 8,243,800          | 1.28  |
| 13. Citigroup Nominees (Asing) Sdn Bhd<br><i>PLL for Acacia Institutional Partners LP</i>  | 7,800,000          | 1.21  |

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### 30 LARGEST SHAREHOLDERS (CONT'D)

| Name   | No. of Shares Held | %    |
|--|--------------------|------|
| 14. Cartaban Nominees (Asing) Sdn Bhd<br><i>BBH (LUX) SCA for Fidelity Funds Pacific</i>                                       | 7,706,400          | 1.19 |
| 15. CIMSEC Nominees (Tempatan) Sdn Bhd<br><i>CIMB for Chew Siow Lee (PB)</i>   | 7,400,000          | 1.15 |
| 16. Lin Hai Moh @ Lin See Yan  | 6,560,000          | 1.02 |
| 17. RHB Nominees (Asing) Sdn Bhd<br><i>Exempt AN for PT Sinar Mas Multiartha Tbk</i>   | 6,000,000          | 0.93 |
| 18. Cartaban Nominees (Asing) Sdn Bhd<br><i>BBH (LUX) SCA for Fidelity Funds Malaysia</i>                                      | 4,844,700          | 0.75 |
| 19. HSBC Nominees (Asing) Sdn Bhd<br><i>BNY Brussels For CI Asian Tiger Fund</i>   | 4,827,282          | 0.75 |
| 20. DB (Malaysia) Nominee (Asing) Sdn Bhd<br><i>Exempt AN for Deutsche Bank AG London (Prime Brokerage)</i>                    | 4,633,700          | 0.72 |
| 21. Lee Sau Eng  | 4,578,000          | 0.71 |
| 22. HSBC Nominees (Asing) Sdn Bhd<br><i>Exempt AN for Morgan Stanley &amp; Co. International Plc (IPB Client Acct)</i>         | 4,029,700          | 0.62 |
| 23. CIMSEC Nominees (Tempatan) Sdn Bhd<br><i>CIMB Bank for Suresh A/L Thirugnanam (MY0526)</i>                                 | 3,800,000          | 0.59 |
| 24. Citigroup Nominees (Asing) Sdn Bhd<br><i>PLL for Acacia Conservation Fund (Offshore) Ltd</i>                               | 3,619,400          | 0.56 |
| 25. HSBC Nominees (Asing) Sdn Bhd<br><i>BBH And Co Boston for Fidelity Japan Asia Growth Mother Fund (MTBJ)</i>                | 3,438,300          | 0.53 |
| 26. Natarajan Muralidharan   | 3,374,920          | 0.52 |
| 27. DB (Malaysia) Nominee (Asing) Sdn Bhd<br><i>State Street Australia Fund Remg for Retail Employees Superannuation Trust</i> | 3,324,558          | 0.52 |
| 28. Ng Kay lan   | 3,257,790          | 0.51 |
| 29. Citigroup Nominees (Asing) Sdn Bhd<br><i>PLL for Acacia Conservation Fund LP</i>   | 3,120,000          | 0.48 |
| 30. Lim Gaik Bway @ Lim Chiew Ah   | 3,009,700          | 0.47 |

# NOTICE OF TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth 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 Wednesday, 25 June 2014 at 3.00 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 2013 together with the Reports of the Directors and Auditors thereon.  
**Ordinary Resolution 1**
2. To declare a Final Single Tier Dividend of 0.50 sen per ordinary share of RM0.10 each for the financial year ended 31 December 2013.  
**Ordinary Resolution 2**
3. To approve the Directors' Fees of RM217,500.00 for the financial year ended 31 December 2013 and the payment thereof.  
**Ordinary Resolution 3**
4. 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 4**
5. To re-elect the following Directors who are retiring under Article 85 of the Articles of Association of the Company:-
  - i) Datuk Ali bin Abdul Kadir **Ordinary Resolution 5**
  - ii) Mr Ng Kay Yip **Ordinary Resolution 6**
6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.  
**Ordinary Resolution 7**

### As Special Business

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

7. **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 8**

**8. 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 RM0.10 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 2013, the audited retained profits and share premium account of the Company stood at approximately RM131.81 million and RM2.05 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

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;

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

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 9

## NOTICE OF DIVIDEND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Tenth Annual General Meeting to be held on Wednesday, 25 June 2014, a Final Single Tier Dividend of 0.50 sen per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2013 will be paid to shareholders on 7 August 2014. The entitlement date for the said dividend shall be on 18 July 2014.

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 18 July 2014 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)  
CHOONG LEE WAH (MAICSA 7019418)  
Secretaries

Selangor Darul Ehsan

Date: 3 June 2014

### 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 (in the common or usual form) 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 a notarially certified copy of that power or authority must be deposited at the Company's Share Registrar 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 16 June 2014 (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 8 on the Proposed Renewal of Authority under Section 132D of the Act for the Directors to issue shares.***

The Company had, during its Ninth AGM held on 23 May 2013, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act.

The Ordinary Resolution 8 proposed under item 7 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 9 - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares***

The proposed Ordinary Resolution 9, 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 Tenth 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 3 June 2014 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 Tenth 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 Wednesday, 25 June 2014 at 3.00 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 2013 and the Reports of the Directors and Auditors    |     |         |
| 2. | Declaration of a Final Single Tier Dividend of 0.50 sen per ordinary share of RM0.10 each for the financial year ended 31 December 2013 |     |         |
| 3. | Approval of the Directors' Fees for the financial year ended 31 December 2013 and payment thereof                                       |     |         |
| 4. | Re-appointment of Tan Sri Dato' Dr Lin See Yan as Director  |     |         |
| 5. | Re-election of Datuk Ali bin Abdul Kadir as Director  |     |         |
| 6. | Re-election of Mr Ng Kay Yip as Director  |     |         |
| 7. | Re-appointment of Messrs KPMG as Auditors   |     |         |
| 8. | Proposed Renewal of Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares                           |     |         |
| 9. | Proposed Renewal of 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 ..... 2014.

.....  
Signature: Shareholder or Common Seal of Shareholder

The proportions of my/our holding to be represented by my/our proxies are as follows:

|                       |            |   |
|-----------------------|------------|---|
| 1 <sup>st</sup> proxy | _____      | % |
| 2 <sup>nd</sup> proxy | _____      | % |
| TOTAL                 | <u>100</u> | % |

## 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 (in the common or usual form) 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 a notarially certified copy of that power or authority must be deposited at the Company's Share Registrar 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 16 June 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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**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

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May your wings always be strong and your path always true  
May your dreams always be noble and your mission always clear  
May your success always be abundant and still you always remain humble  
Do Good, Do Well

