JobStreet corporation berhad

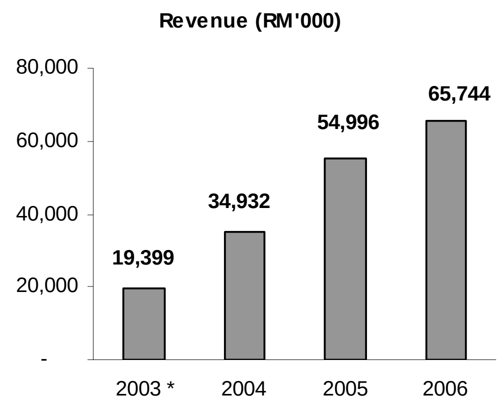
(Company no. 641378-W)

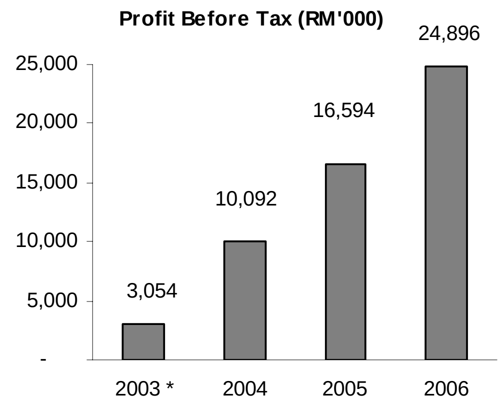
Improving People's Lives through a Better Career

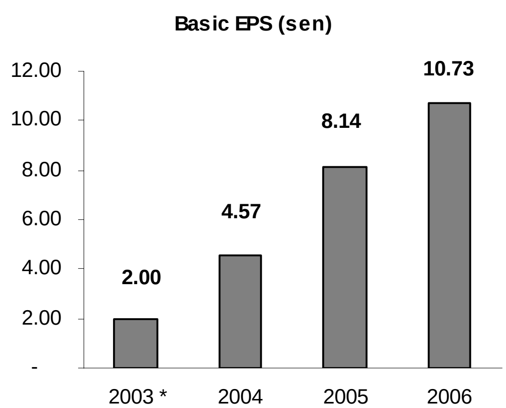
Annual Report 2006

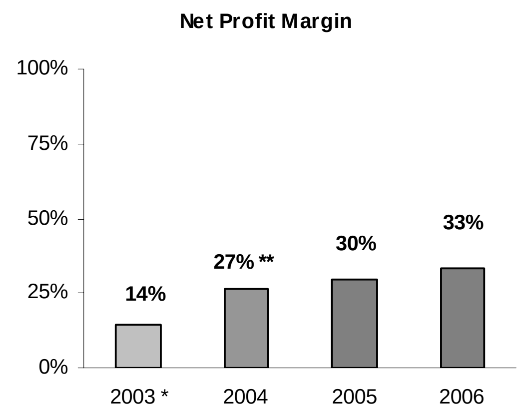
CONTENTS

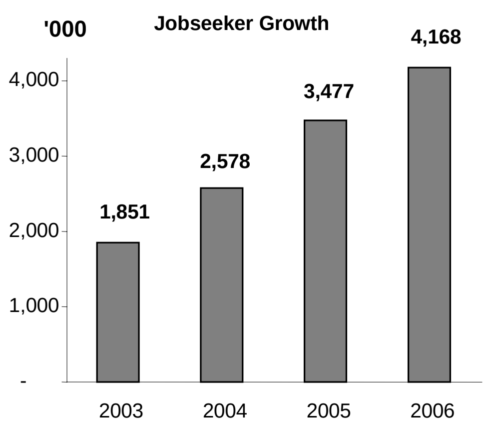
GROUP PERFORMANCE HIGHLIGHTS

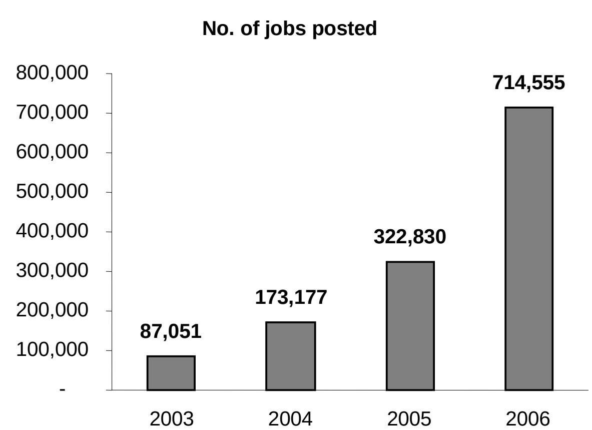












***** The financial results of 2003 as shown in the charts above is prepared on a proforma basis, assuming the present JobStreet group structure had already been effected. Basic EPS for 2003 excluded the effects of shares issued pursuant to the Company's initial public offering on 29 November 2004.

****** Net profit margin for 2004 is computed before deduction of pre-acquisition profit amounting to RM6,869,899, for comparison purposes.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ali bin Abdul Kadir
Independent Non-Executive Chairman

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

Chang Mun Kee
Executive Director, Founder & CEO

Suresh A/L Thirugnanam
Executive Director

Ng Kay Yip
Non-Independent Non-Executive Director

Lim Chao Li
Non-Independent Non-Executive Director

AUDIT COMMITTEE

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

Datuk Ali bin Abdul Kadir
Member/ Independent Non-Executive Director

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

NOMINATION COMMITTEE

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

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

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

REMUNERATION COMMITTEE

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

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

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

ESOS COMMITTEE

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

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

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

AUDITORS

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

LISTING

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

COMPANY SECRETARIES

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

SPONSOR

Commerce International Merchant Bankers Berhad (18417-M)
10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03-20848888

REGISTERED OFFICE

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

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

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

PRINCIPAL BANKER

OCBC Bank (Malaysia) Berhad (295400-W)

WEBSITE

www.jobstreet.com

CORPORATE STRUCTURE

as at 27 April 2007

JobStreet corporation berhad

- 60% **PT JobStreet Indonesia**
- 20% **Recruit Group Limited**
- 100% **JobStreet.com Pte. Ltd.**
  - 100% **JobStreet.com Sdn. Bhd.**
  - 60% **JobStreet.com Philippines Inc**
  - 50% **JobStreet.com India Private Limited**
  - 51% **Blurbme Holdings Pte. Ltd.**
  - 42% **Enerpro Pte. Ltd.**
  - 100% **JobStreet.com Limited**

OUR PRODUCT FAMILY

Online Recruitment	Outsourced Human Capital Services	Training & Education	E-Commerce & E-Business	Jobseeker Services
JobStreet Essential	JobStreet Select JobStreet Resource JobStreet Impact	JobStreet LEARNING CAMPUS	JobStreet Direct JobStreet Classifieds	JobStreet Priority Application JobStreet SMS Alerts JobStreet SMS Apply JobStreet Career Profile

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 2006 to you, our shareholders.

We are pleased to report that the Group's profitability continued to grow in 2006. This was achieved on the back of a fairly strong regional economic environment which promoted job creation and investments in human resources in the markets that we operate in. Being an online recruitment company, these macro-economic factors directly benefited the Group.

Going forward, we will be pressing on to bring the Group to greater heights in line with the strategic plan developed by our Board during the year. We will focus on growing the market for our services by aggressive sales and marketing to convert more companies to take advantage of the benefits of online recruitment. In the markets where we are the market leader, we will increase our investment to further entrench our position. In those markets where we are not the No. 1 online recruitment company yet, we will push to capture more market share through various sales, marketing and branding initiatives. Management time is also being devoted to establishing our presence in new markets such as Indonesia and Bangladesh. At the same time, we will be exploring opportunities to grow via expansion into new markets and synergistic businesses. In order to achieve all of this, we have been investing considerable effort to expand our management depth throughout the organisation.

As you would appreciate, these plans require time and are by no means, without risk. However, with a committed Board of Directors and a core team of owner/managers that are dedicated to good corporate governance, you can be confident that our interests are aligned with yours and enhancing long term shareholder value is the overriding objective in all of our plans.

2006 IN REVIEW

For the financial year ended 31 December 2006, the Group achieved a 20% growth in revenues to RM65.7 million from RM55.0 million in 2005. Results from operating activities grew 32% to RM20.9 million from RM15.9 million in 2005. The growth in revenues was mainly in respect of services with higher margins, namely JobStreet Essential and JobStreet Impact, which contributed positively to the bottom line. This growth was somewhat offset by a decline in our JobStreet Resource business. Sales from JobStreet Essential, our online job posting service, continued to perform well in 2006 driven by the solid economic environment as well as wider customer acceptance of our product and online recruitment in general. We are also pleased to report to you that JobStreet Impact, our career site management service, is currently powering the recruitment website of a Fortune Global top 10 oil and gas company worldwide as well as over 100 companies in the region. This is indeed an outstanding achievement by a company that had its humble beginnings in Penang 11 years ago.

In terms of profitability, profit attributable to shareholders grew 33% to RM21.7 million from RM16.4 million in 2005. Apart from operational growth, the Group recorded a gain on deemed disposal of 50% equity interest in JobStreet India amounting to RM3.3 million which positively impacted the bottom line in 2006.

Malaysia continues to be the strongest market for us in terms of market share and the overall quantum of sales and profit. This is to be expected considering that Malaysia is considered our 'home ground' and we've been in Malaysia longer than any of the other markets. In 2006, our business in Malaysia grew approximately 21% to RM46.8 million in revenue.

Regionally, we witnessed strong growth in our subsidiaries in Singapore and Philippines especially in the performance of the core JobStreet Essential service. Our total revenues grew by 15% and 74% in Singapore and Philippines respectively. Collectively, our regional operations contributed approximately 31% of the Group's revenues, slightly higher from 30% in 2005. We hope that you are as pleased as we are by the fact that our diversification strategy is yielding results as our Group performance is no longer just dependent on the Malaysian market alone, but is a collective effort from all our key operating units.

The year also saw the deconsolidation of JobStreet India from the Group. The subscription by the Television Eighteen India Limited ("TV18") Group in India in a 50% equity stake in JobStreet India for a consideration of USD2 million was approved by you, our shareholders, in the Extraordinary General Meeting held on 24 August 2006. The subscription was eventually completed on 17 November 2006. While the entry of a strategic partner is expected to augur well for JobStreet India in the long term, 2006 continued to be a challenging year for our India operations. It is an extremely competitive market with competitors investing substantial sums on advertising and marketing to increase market share. Our operations were also plagued by difficulties in staffing. Nevertheless, India remains a promising market as it is one of the fastest growing economies in Asia. We now have a new team in place and with the partnership with TV18, we will seek ways to recapture market share and establish JobStreet India as a meaningful player again.

The number of active users registered with JobStreet across the region totals almost 4.2 million at the end of the year, up by 20% from 2005. JobStreet Indonesia which was established during the year was able to attract approximately 135,000 new users in 2006 which is a good start for our operations there. It is critical to the success of our business to see a healthy increase in our jobseeker traffic which corresponds to the number of jobs on the site and, generally, we are comfortable with our progress here.

As a Group operating relying primarily on the Internet, we have continued to invest heavily in our technology with a total of RM3.6 million invested during the year compared to RM2.8 million in 2005. We believe our ability to innovate and roll out new and improved services will help win more customers and drive growth as we help them find talent more efficiently.

USE OF IPO PROCEEDS

The Group raised RM9.72 million from the IPO exercise in November 2004 to fund capital expenditure, listing expenses and general working capital purposes. As at 31 December 2006, the IPO proceeds have been fully utilized for capital expenditure, funding for the investment in our Indonesian joint venture and the acquisition of stakes in Enerpro Pte Ltd and Blurbme Holdings Pte Ltd, working capital and for the payment of listing expenses.

As at the year end, the Group has a cash position of RM36.3 million. This is a reflection of the cash generating ability of our business, which in the year 2006 generated about RM25.7 million from operating activities. As the Group's vision is to be Asia's largest human capital bank, the ability to acquire companies and businesses as the opportunities present themselves and to fund start up operations in new markets requires the Group to have sufficient readily available capital. As such, for now we will lean toward retaining the majority of our profits to fund growth, regional expansion and aggressively defending our business against potential competitive threats. Over time, we will balance these needs with the development of a consistent dividend track record for our shareholders.

GOING FORWARD

Prospects for the year ending 31 December 2007 are positive given the momentum of the regional economies heading into the year. A healthy economic environment is a critical pre-requisite for the e-recruitment advertising business to grow further. Further, the trend of jobs moving into our markets continues especially in industries such as business process outsourcing sectors in Philippines and financial services in Singapore. Apart from economic fundamentals, the growth in Internet penetration and increasing Internet skill and usage among graduates are factors favouring the adoption of e-recruitment over traditional recruitment advertising. Other positive trends include the growing availability of broadband and adoption of Information Technology by smaller companies.

For the financial year ending 31 December 2007, we expect the Group's earnings to continue to be primarily from Malaysia with increasing contributions from Singapore and Philippines. These three markets should be the core markets that contribute to our profitability for 2007. We are cautious on the short-term outlook on the India market until we see a turnaround with TV18's support.

Investing in our Indonesian operations is also part of our plan for building long term sustainable growth. Being South East Asia's most populous country with over 200 million people and 18 million Internet users, the potential for the e-recruitment business could be large. We have had a very successful launch and believe we have good local management in place, a proven product and a strong partner which should help us to capitalize on the opportunities that the Indonesia market has to offer.

In February 2007, we acquired a 20% strategic stake in Hong Kong-based Recruit Group Limited ("RGL") for RM6.7 million. RGL is a subsidiary of a Hong Kong listed entity and is a market leader in the print recruitment advertising business in Hong Kong. We hope to add value to RGL's brandname and online recruitment portal with our products and technology.

APPRECIATION

Again, we would like to record our sincere appreciation to all our valued customers, jobseekers, partners and shareholders for your continued support during the past year. Further, our appreciation goes out to the management and employees of JobStreet for your passion and commitment.

2006 has been another great year and we hope 2007 will be even better.

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 57, was appointed to the Board on 1 October 2004. Datuk Ali is also the Chairman of the Nomination Committee and a member of the Audit Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), having started his career in accounting in 1969 and qualifying as a member of the institute in 1974. Datuk Ali is currently the Chief Executive Officer and Head of Asia of DIG Asia Sdn Bhd, a wholly owned subsidiary of Dubai Investment Group Limited. Datuk Ali sits on the board of Labuan Offshore Financial Services Authority. Datuk Ali was appointed by the Minister of Finance as the Chairman of Securities Commission on 1 March 1999.

Datuk Ali was a member of a number of national committees including National Economic Consultative Council 11 (MAPEN 11), the Foreign Investment Committee and the Oversight Committee of National Asset Management Company. Datuk Ali was also a Trustee of the Financial Reporting Foundation, which oversees the financial reporting framework in Malaysia, and had served on the Finance Committee on Corporate Governance. In addition, Datuk Ali was also a Trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions from November 2000 to October 2003.

Prior to Datuk Ali's appointment as Chairman of Securities Commission, he was the executive Chairman and partner of Ernst & Young and its related firms. Datuk Ali was also the former President of the Malaysian Association of Certified Public Accountants, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. Datuk Ali currently sits on the Boards of Microlink Solutions Berhad, Airocom Technology Berhad and Milux Corporation Berhad as well as several private limited companies.

Tan Sri Dato' Dr Lin See Yan

Independent Non-Executive Director

Tan Sri Dato' Dr Lin See Yan, a Malaysian aged 68, is an Independent Non-Executive Director of the Company and was appointed to the Board of Directors on 1 October 2004. Tan Sri Lin is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees. Tan Sri Lin received 3 post-graduate degrees from Harvard University, including a PhD in Economics. He is an Eisenhower Fellow and also Professor of Economics (Adjunct) at Universiti Utara Malaysia.

Prior to 1998, Tan Sri Lin was the Chairman and CEO of the Pacific Bank Group and for 14 years since 1980, he served as the Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. He continues to serve the public interest, including Member of the National Economic Action Council (NEAC) Working Group, the PM-Private Investment Advisory Panel and the National Steering Committee to transform Higher Education; Economic Advisor, Associated Chinese Chambers of Commerce & Industry of Malaysia; Pro-Chancellor, Universiti Sains Malaysia; Trustee, Malaysia University of Science & Technology; Board Director, Monash University (Sunway Campus) Malaysia; and Governor, Asian Institute of Management, Manila, as well as Member, Asian Financial Regulatory Shadow Committee. Tan Sri Lin is Chairman Emeritus, Harvard Graduate School Alumni Association Council at Harvard University in Cambridge, USA as well as Regional Director for Asia, Harvard Alumni Association at Harvard University in addition to being Member, Visiting Committee on Asian Studies at the University and President, Harvard Club of Malaysia. Tan Sri Lin advises and sits on the Board of a number of publicly listed and private business enterprises in Malaysia, Singapore and Indonesia, including Fraser & Neave Holdings Berhad, Ancom Berhad, Genting Berhad, Resorts World Berhad, Wah Seong Corporation Berhad and KrisAssets Holdings Berhad, and a number of private business enterprises in Malaysia, Singapore and Indonesia.

Chang Mun Kee
Executive Director, Founder and CEO

Chang Mun Kee, a Malaysian aged 41, 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.

Suresh A/L Thirugnanam
Executive Director

Suresh A/L Thirugnanam, a Malaysian aged 42, 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. Suresh obtained his Bachelor of Science in Mechanical Engineering from the Massachusetts Institute of Technology in 1989 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology in 1989. He started his career with Digital Equipment Corp, USA in 1989. In 1992, he worked briefly in Maxoptix Corporation, San Jose, USA before relocating back to Malaysia to join Motorola Malaysia Sdn Bhd ("Motorola") as a manufacturing engineer. He left Motorola in 1994 to join Maxis Communications Sdn Bhd where he held several positions, including Head of Network Services Operations and Head of Fixed Network Product and Planning Group before joining the JobStreet Group in 2000.

Ng Kay Yip
Non-Independent Non-Executive Director

Ng Kay Yip, a Malaysian aged 41, 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 and Remuneration 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.

Lim Chao Li
Non-Independent Non-Executive Director

Lim Chao Li, a Malaysian aged 41, 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 Remuneration Committees. Mr Lim obtained his Bachelor of Science in Economics majoring in Accounting and Finance from the Wharton School of Business, University of Pennsylvania, USA and a Bachelor of Applied Science in Systems Engineering from the School of Engineering and Applied Science, University of Pennsylvania, USA. He commenced his career in 1989 as an Audit Assistant with Deloitte & Touche in Philadelphia, USA. In 1991, he moved back to Malaysia and joined Johnson & Johnson Sdn Bhd as an Accountant. He was promoted as its Finance & Administration Manager in 1993. He joined the Hotel Equatorial Group ("HEG") in 1994 as a Project Manager and became Vice President of Finance in 1997. He currently oversees HEG's hotel finance departments as well as several other private companies in the group. His geographical area of responsibility includes Malaysia and Vietnam.

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

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

STATEMENT OF CORPORATE GOVERNANCE

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

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

A. BOARD OF DIRECTORS

i) Composition of the Board

The Board consists of six members, comprising one Independent Non-Executive Chairman, two Executive Directors including the Chief Executive Officer, two Non-Independent Non-Executive Directors and one Independent Non-Executive Director. A brief profile of each Director is presented on pages 8 to 9 of this Annual Report. Collectively, the Board members provide an effective Board with a mix of industry-specific knowledge and broad business, financial, regulatory and technical experience. Furthermore, there is effective check and balance on the Board, with two-thirds of the Board members being Non-Executive Directors.

The responsibilities of the Chairman and the Chief Executive Officer are clearly divided in accordance with the requirements of the Code. The Board is led by Datuk Ali bin Abdul Kadir as the Independent Non-Executive Chairman. He is responsible for running the Board and ensuring that all Directors receive sufficient information to enable them to participate actively in Board decisions. Datuk Ali bin Abdul Kadir is 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 calibre and experience to bring objectivity, balance and independent judgment to Board decisions. They constitute one third of the membership of the Board. This helps to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company to the benefit of all stakeholders.

ii) Board Responsibilities

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

iii) Board Meetings and Supply of Information to the Board

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

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

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

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

The Board met four (4) times for the financial year ended 31 December 2006 and the summary of attendance at the Board Meetings held is as follows:

Directors	**Number of Board Meetings**	
	Held	**Attended**
Datuk Ali bin Abdul Kadir (Chairman)	4	4
Tan Sri Dato' Dr Lin See Yan	4	4
Chang Mun Kee	4	4
Suresh A/L Thirugnanam	4	4
Ng Kay Yip	4	4
Lim Chao Li	4	4

iv) Appointments and Re-Election to the Board

The Nomination Committee is comprised of the following members:

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

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

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

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

During the financial year under review, one (1) meeting was held.

v) Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by Bursatra Sdn Bhd in compliance with the Listing Requirements of Bursa Securities for MESDAQ Market ("Listing Requirements").

In addition, during the financial year under review, all Directors attended training programmes on various subject matters such as corporate governance, information technology, capital markets, financial reporting and human resource management. The Directors are also encouraged to attend other training programmes as may be prescribed by Bursa Securities from time to time to enable them to discharge their responsibilities as directors more effectively.

vi) Board Committees

Standing committees of the Board include the Nomination Committee, the Audit Committee (please refer to the Audit Committee Report set out on pages 16 to 19 of this Annual Report) and the Remuneration Committee.

B. DIRECTORS REMUNERATION

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

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

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

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

Further details of Directors' remuneration are set out below and in Note 17 to the financial statements:

	Executive Directors RM'000	**Non-Executive Directors RM'000**
Salaries and other emoluments	559	-
Fees	4	73
Total	563	73

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

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

C. SHAREHOLDERS

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

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

Annual General Meeting (AGM)

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

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

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

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual and quarterly reports, the Board aims to present a balanced and comprehensive assessment of the Group's position and prospects. The Audit 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 26 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.

Internal Control

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

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

Relationship with External Auditors

The Company's external auditors, Messrs KPMG have continued to report to members of the Company on their findings which are included as part of the Company's financial reports with respect to this financial 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 Committee in relation to the external auditors is set out in the Report of the Audit Committee on pages 16 to 19 of the Annual Report.

Directors' Responsibilities in Respect of Financial Statements

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

E. OTHER INFORMATION

The following information provided is in respect of the financial year ended 31 December 2006.

Statement on Compliance with the Best Practices in Corporate Governance

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

Utilisation of Proceeds

As at 31 December 2006, the status of the utilisation of the proceeds of RM9.72 million raised by the Company from its Initial Public Offering is as follows:

Description	**Proposed Utilisation RM'000**	**Actual Utilisation RM'000**	**Balance RM'000**
Capital Expenditure	1,000	1,000	Nil
Working Capital	7,220	6,952	268*
Listing Expenses	1,500	1,768	(268)*
Total	9,720	9,720	Nil

* *The excess expense has been adjusted against working capital.*

Share Buybacks

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

Options, Warrants or Convertible Securities

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 Employee Share Options Scheme (ESOS) is set out in the Directors' Report on page 24 of the Annual Report.

Pursuant to Appendix 9C (28) 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:

	Number of options over ordinary shares of RM0.10 each			
Non-Executive Directors	**At 1.1.2006**	**Granted**	**Exercised**	**At 31.12.2006**
Datuk Ali bin Abdul Kadir	1,000,000	-	(200,000)	800,000
Tan Sri Dato' Dr Lin See Yan	1,000,000	-	(200,000)	800,000
Total	2,000,000	-	(400,000)	1,600,000

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

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

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

Sanctions and/or Penalties

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

Non-Audit Fees

The amount of non-audit fees paid or payable to the external auditors by the Group for the financial year ended 31 December 2006 was RM25,000 which was for non-audit related work.

Profit Estimates, Forecast or Projection

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

Profit Guarantee

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

Material Contracts

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

Revaluation Policy

The Group does not have a revaluation policy in respect of the Group's property.

Recurrent Related Party Transactions of Revenue Nature

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 (1)(b) of the Listing Requirements.

AUDIT COMMITTEE REPORT

MEMBERSHIP AND ATTENDANCE

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

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

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

TERMS OF REFERENCE

1. COMPOSITION

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

At least one member of the Audit Committee:

a) must be a member of the Malaysian Institute of Accountants; or
b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:

    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) fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad.

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

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

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

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

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

2. FUNCTIONS

The functions of the Audit Committee are as follows:-

(i) To review the nomination of external auditors and their audit fees;

(ii) To review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;

(iii) To review the effectiveness of the internal audit function, internal controls and management information systems;

(iv) To review the quarterly results and financial statements of the Company with both the external auditors, if applicable, and management, prior to the approval by the Board of Directors, focusing particularly on:-

(a) Any changes in accounting policies and practices;
(b) Significant adjustments arising from the audit;
(c) The going concern assumption;
(d) Compliance with accounting standards and other legal requirements;

(v) To review the external auditors' audit report;

(vi) To review any management letter sent by the external auditors to the Company and the management's response to such letter;

(vii) To review any letter of resignation from the Company's external auditors;

(viii) To review the assistance given by the Company's officers to the external auditors and the Sponsor;

(ix) To ensure management's compliance with the Listing Requirements and all relevant legislations, guidelines and regulations issued by regulatory authorities;

(x) To review proposals and plans to meet compliance;

(xi) To review management's action plans to effect any proposals to meet and maintain required standards and guidelines;

(xii) To ensure management performs the Group's obligations under the Sponsor Agreement;

(xiii) To authorize any of the Members to inform the Sponsor of any actual or potential non-compliance with the Listing Requirements and all relevant legislations, guidelines and regulations issued by regulatory authorities, as soon as any Member of the Committee becomes aware of such actual or potential non-compliance;

(xiv) To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;

(xv) To review all related-party transactions and potential conflict of interests situations; and

(xvi) All other matters delegated by the Board of Directors.

3. ACCESS

The Audit Committee shall:-

(i) Have explicit authority to investigate any matters within its terms of reference;

(ii) Have the resources which it needs to perform its duties;

(iii) Have full access to any information which it requires in the course of performing its duties;

(iv) Have unrestricted access to the Chief Executive Officer and any other senior management staff of the Group;

(v) Have direct communication channels with the external auditors and internal auditors;

(vi) Be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and

(vii) Be able to invite outsiders with relevant experience to attend its meetings if necessary.

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

4. MEETINGS

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

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

The Secretary shall also be responsible for keeping the minutes of Audit Committee and circulating them to committee members and to the other members of the Board of Directors. A quorum shall consist of a minimum of two audit committee members including at least one independent director.

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

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

5. REPORTING PROCEDURES

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

(a) A summary of the activities of the Audit Committee;

(b) Statement on the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;

(c) Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;

(d) Statement on the Board's responsibility for preparing the annual audited financial statements; and

(e) Statement about the state of internal control of the Group.

SUMMARY OF ACTIVITIES

The Audit Committee 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. The Committee also verified and ensured that the allocation of Employee Share Option Scheme options during the financial year is in compliance with the criteria specified in the scheme's Bye-Laws.

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; and

(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.

INTERNAL AUDIT FUNCTION

During the financial year, the Board reviewed the 2-year detailed internal audit plan provided by the external professional firm of consultants to ensure adequate scope and coverage of key risk areas within the proposed quarterly internal audit programmes.

Further to the above, the Audit Committee reviewed the internal audit reports prepared by the consultants on a quarterly basis, including recommendations for corrective actions, management's response and actions taken by the same to improve the Group's system of internal controls and procedures.

STATEMENT OF INTERNAL CONTROL

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

BOARD RESPONSIBILITIES

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

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

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

RISK MANAGEMENT FRAMEWORK

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

The establishment of a formal risk management framework for identifying, evaluating and managing the significant risks faced by the Group is expected to be completed in 2007.

In view of a constantly evolving environment and competitive landscape, the Board is committed in maintaining a system of internal control that comprises the following control environment, key processes and monitoring systems:

- Audit 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 periodic risk-mapping process that assists the management to continuously identify significant risks associated with key processes within a changing business and operating environment;
- An annual budgeting process that establishes monthly budgets for each business unit against which performance is monitored on an ongoing basis;
- Weekly and monthly business reports and management accounts are submitted by the respective business units for review by senior management;
- Disaster recovery plans including technical infrastructure monitoring processes to help ensure the risk of system outages is minimized; and
- Segregation of duties and limits of authority are practiced to ensure accountability and responsibility.

INTERNAL AUDIT FUNCTION

The Audit Committee is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. In carrying out its responsibilities, the Committee relies on the support of an external professional firm of consultants appointed by the Committee, which carries out internal audits on various operating units within the Group on a quarterly basis. These audits review the internal controls in the key activities of the Group's business based on a 2-year detailed internal audit plan approved by the Audit 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.

This statement has been made in accordance with the resolution passed in the Board of Directors' meeting held on 15 May 2007.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the year ended 31 December 2006

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM	Company RM
Profit for the year	21,709,231	26,042,159

RESERVES AND PROVISIONS

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

DIVIDENDS

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

i) a final dividend of 1.25 sen per share tax exempt totaling RM2,538,312 in respect of the financial year ended 31 December 2005 on 5 July 2006; and

ii) an interim dividend of 1.5 sen per share tax exempt amounting to RM3,045,976 in respect of the financial year ended 31 December 2006 on 10 January 2007.

The Directors do not recommend any final dividend for the year ended 31 December 2006.

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

DIRECTORS' INTERESTS

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

Shareholdings in which Directors have direct interest

The Company	Nominal value RM	Number of ordinary shares At 1.1.2006	Acquired	Disposed	At 31.12.2006
Datuk Ali bin Abdul Kadir	0.10	1,600,000	200,000	(1,600,000)	200,000
Tan Sri Dato' Dr Lin See Yan	0.10	922,200	310,000	(132,200)	1,100,000
Lim Chao Li	0.10	17,288,710	-	(100,000)	17,188,710
Ng Kay Yip	0.10	19,465,540	-	(500,000)	18,965,540
Chang Mun Kee	0.10	28,600,250	-	(2,900,000)	25,700,250
Suresh A/L Thirugnanam	0.10	9,176,940	160,000	(1,000,000)	8,336,940

JobStreet.com Philippines Inc	Nominal value PHP	Number of ordinary shares At 1.1.2006	Acquired	Disposed	At 31.12.2006
Chang Mun Kee	1.00	1*	-	-	1*

Jobstreet.com Limited	Nominal value HKD	Number of ordinary shares At 1.1.2006	Acquired	Disposed	At 31.12.2006
Chang Mun Kee	1.00	1*	-	-	1*

* Shares held in trust for JobStreet.com Pte Ltd

The Company	Number of options over ordinary shares of RM0.10 each At 1.1.2006	Granted	Exercised	At 31.12.2006
Datuk Ali bin Abdul Kadir	1,000,000	-	(200,000)	800,000
Tan Sri Dato' Dr Lin See Yan	1,000,000	-	(200,000)	800,000
Chang Mun Kee	1,500,000	-	-	1,500,000
Suresh A/L Thirugnanam	800,000	-	(160,000)	640,000

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

DIRECTORS' BENEFITS

Since the 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 related companies) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

ISSUE OF SHARES

During the financial year, the Company issued 2,065,000 new ordinary shares of RM0.10 each for cash arising from the exercise of employees' share options at an exercise price of RM0.54 per ordinary share.

There were no other changes in the issued and paid-up capital of the Company 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 year apart from the issue of options pursuant to the Employees' 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.

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

		Number of option over ordinary shares of RM0.10 each ('000)					
Date of Offer	Option Price	Balance at 1.1.2006	Granted	Exercised	Lapsed	Forfeited	Balance at 31.12.2006
29.11.2004	RM0.54	13,935	-	(2,065)	(1,580)	(45)	10,245
23.02.2006	RM1.35	-	2,525	-	(435)	-	2,090
		13,935	2,525	(2,065)	(2,015)	(45)	12,335

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders to whom less than 200,000 options have been granted during the financial year and details of their holdings. The remaining option holders are as follows:-

	Number of options over ordinary shares of RM0.10 each			
	Balance at 1.1.2006	Granted	Exercised	Balance at 31.12.2006
Franz Dirgantoro	-	300,000	-	300,000
Goh Kok Ghee	-	200,000	-	200,000

OTHER STATUTORY INFORMATION

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

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

ii) all current assets have been stated at the lower of cost and net realisable value.

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial 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, except for the gain on deemed disposal of equity interest in a subsidiary of RM3,294,567, the results of the operations of the Group and of the Company for the financial year ended 31 December 2006 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.

SIGNIFICANT EVENTS

The significant events during the financial year are as disclosed in Note 29 to the financial statements.

SUBSEQUENT EVENTS

Material events subsequent to the balance sheet date are as disclosed in Note 30 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:

LIM CHAO LI

SURESH A/L THIRUGNANAM

Kuala Lumpur,

Date: 24 April 2007

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 28 to 67 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2006 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

LIM CHAO LI

SURESH A/L THIRUGNANAM

Kuala Lumpur,

Date: 24 April 2007

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 28 to 67 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 24 April 2007.

GREGORY CHARLES POARCH

Before me:

RAMAN KUNYAPU (No. W 476)
Commissioner of Oaths

REPORT OF THE AUDITORS

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

We have audited the financial statements set out on pages 28 to 67. The preparation of the financial statements is the responsibility of the Company's Directors.

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

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:

  i) the state of affairs of the Group and of the Company at 31 December 2006 and the results of their operations and cash flows for the year ended on that date; and

  ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 5 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

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

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

KPMG
Firm Number: AF 0758
Chartered Accountants

FOONG MUN KONG
Partner
Approval Number: 2613/12/08(J)

Kuala Lumpur,

Date: 24 April 2007

BALANCE SHEETS
at 31 December 2006

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Assets					
Property and equipment	3	13,833,791	12,079,356	77,600	-
Goodwill	4	2,808,856	3,524,072	-	-
Investments in subsidiaries	5	-	-	19,411,333	18,754,873
Investments in an associate and a jointly-controlled entity	6	4,198,910	-	-	-
Other investments	7	-	-	-	-
Deferred tax assets	8	693,328	1,278,879	-	-
Total non-current assets		21,534,885	16,882,307	19,488,933	18,754,873
Other investments	7	10,021,285	-	10,021,285	-
Receivables, deposits and prepayments	9	10,188,886	10,120,416	27,311,601	5,190,238
Current tax assets		177,946	443,680	-	-
Cash and cash equivalents	10	36,325,147	26,558,381	391,173	8,813,099
Total current assets		56,713,264	37,122,477	37,724,059	14,003,337
Total assets		78,248,149	54,004,784	57,212,992	32,758,210
Equity					
Share capital		20,306,500	20,100,000	20,306,500	20,100,000
Reserves		8,051,539	6,571,880	7,679,191	6,378,571
Retained earnings		31,894,290	15,769,347	26,055,652	5,597,781
Total equity attributable to shareholders of the Company	11	60,252,329	42,441,227	54,041,343	32,076,352
Minority interest		1,123,690	1,567,908	-	-
Total equity		61,376,019	44,009,135	54,041,343	32,076,352
Liabilities					
Deferred tax liabilities	8	8,925	8,925	-	-
Total non-current liabilities		8,925	8,925	-	-
Deferred income	12	7,750,996	5,901,554	15,650	24,233
Payables and accruals	13	8,294,651	3,778,122	3,155,999	657,625
Taxation		817,558	307,048	-	-
Total current liabilities		16,863,205	9,986,724	3,171,649	681,858
Total liabilities		16,872,130	9,995,649	3,171,649	681,858
Total equity and liabilities		78,248,149	54,004,784	57,212,992	32,758,210

The notes on pages 34 to 67 are an integral part of these financial statements.

INCOME STATEMENTS

for the year ended 31 December 2006

	Note	Group		Company	
		2006 RM	2005 RM	2006 RM	2005 RM
Continuing operation					
Revenue	15	65,743,858	54,995,737	26,894,106	9,180,159
Other operating income		78,446	457,947	154,154	-
16					
Advertising expenses		(1,460,738)	(904,437)	-	(21,694)
Allowance for doubtful debts		(348,897)	(615,890)	(53,317)	-
Contract and outsourcing cost		(13,804,935)	(15,690,306)	-	-
Depreciation		(1,161,524)	(676,492)	-	-
Rental of office		(819,012)	(950,885)	(6,698)	(22,915)
Staff costs	18	(18,949,917)	(14,265,662)	(378,496)	(344,519)
Telecommunication expenses		(563,097)	(513,734)	(20,572)	(673)
Traveling expenses		(820,742)	(552,342)	(33,349)	(42,750)
Other operating expenses	16	(7,028,855)	(5,428,213)	(530,607)	(318,719)
Results from operating activities		20,864,587	15,855,723	26,025,221	8,428,889
Interest income		801,182	738,054	57,463	220,139
Gain on deemed disposal of equity interest in					
- a subsidiary	28	3,294,567	-	-	-
- an associate		24,832	-	-	-
Operating profit		24,985,168	16,593,777	26,082,684	8,649,028
Share of loss after tax and minority interest of an equity accounted associate and a jointly-controlled entity		(88,934)	-	-	-
Profit before tax		24,896,234	16,593,777	26,082,684	8,649,028
Tax expense	19	(2,267,789)	377,263	(40,525)	(74,652)
Profit for the year		22,628,445	16,971,040	26,042,159	8,574,376
Attributable to:					
Shareholders of the Company		21,709,231	16,371,193	26,042,159	8,574,376
Minority interest		919,214	599,847	-	-
Profit for the year		22,628,445	16,971,040	26,042,159	8,574,376
Basic earnings per ordinary share (sen)	20	10.73	8.14		
Diluted earnings per ordinary share (sen)	20	10.33	7.83		

The notes on pages 34 to 67 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2006

		<------ Attributable to shareholders of the Company							
		<------ Non-distributable			------>	Distributable			
		Share capital	Share premium	Translation reserve	Share option reserve	Retained earnings	Total	Minority interest	Total Equity
Group	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 January 2005		20,100,000	6,378,571	139,897	-	2,413,154	29,031,622	843,260	29,874,882
Foreign exchange translation differences		-	-	53,412	-	-	53,412	57,738	111,150
Profit for the year		-	-	-	-	16,371,193	16,371,193	599,847	16,971,040
Total recognised income and expense for the year		-	-	53,412	-	16,371,193	16,424,605	657,585	17,082,190
Acquisition of shares in a subsidiary		-	-	-	-	-	-	151,747	151,747
Dividends paid	21	-	-	-	-	(3,015,000)	(3,015,000)	(84,684)	(3,099,684)
As at 31 December 2005 / 1 January 2006		20,100,000	6,378,571	193,309	-	15,769,347	42,441,227	1,567,908	44,009,135
Foreign exchange translation differences		-	-	179,039	-	-	179,039	17,415	196,454
Profit for the year		-	-	-	-	21,709,231	21,709,231	919,214	22,628,445
Total recognised income and expense for the year		-	-	179,039	-	21,709,231	21,888,270	936,629	22,824,899
Share options exercised	11	206,500	908,600	-	-	-	1,115,100	-	1,115,100
Share-based payments	14	-	-	-	392,020	-	392,020	-	392,020
Acquisition of shares in a subsidiary	27	-	-	-	-	-	-	66,470	66,470
Issuance of shares to minority interest		-	-	-	-	-	-	437,640	437,640
Dividends paid	21	-	-	-	-	(5,584,288)	(5,584,288)	(1,884,957)	(7,469,245)
At 31 December 2006		20,306,500	7,287,171	372,348	392,020	31,894,290	60,252,329	1,123,690	61,376,019

STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Note	<------Attributable to shareholders of the Company------> <------ Non-distributable ------> Share capital RM	Share premium RM	Translation reserve RM	Share option reserve RM	Distributable Retained earnings RM	Total RM
At 1 January 2005		20,100,000	6,378,571	-	-	38,405	26,516,976
Profit for the year		-	-	-	-	8,574,376	8,574,376
Dividends to shareholders	21	-	-	-	-	(3,015,000)	(3,015,000)
As at 31 December 2005 / 1 January 2006		20,100,000	6,378,571	-	-	5,597,781	32,076,352
Profit for the year		-	-	-	-	26,042,159	26,042,159
Share option exercised	11	206,500	908,600	-	-	-	1,115,100
Share-based payments	14	-	-	-	392,020	-	392,020
Dividends to shareholders	21	-	-	-	-	(5,584,288)	(5,584,288)
At 31 December 2006		20,306,500	7,287,171	-	392,020	26,055,652	54,041,343

The notes on pages 34 to 67 are an integral part of these financial statements.

CASH FLOW STATEMENTS

for the year ended 31 December 2006

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Cash flows from operating activities					
Profit before tax		24,896,234	16,593,777	26,082,684	8,649,028
Adjustments for:					
Depreciation	3	1,161,524	676,492	-	-
Property and equipment written off	3	361	136,239	-	-
Loss on disposal of property and equipment		476	-	-	-
Share-based payments	14	392,020	-	392,020	-
Share of loss after tax and minority interest of an equity accounted associate and a jointly-control entity		88,934	-	-	-
Dividend income	15	-	-	(26,098,277)	(8,500,000)
Gain on deemed disposal of equity interest of					
- a subsidiary	28	(3,294,567)	-	-	-
- an associate		(24,832)	-	-	-
Interest income		(801,182)	(738,054)	(57,463)	(220,139)
Investment distribution income		(230,480)	-	(230,480)	-
Impairment loss for investment		-	113,440	-	-
Unrealised foreign exchange loss/(gain)		98,910	40,843	69,172	(1,099)
Operating profit / (loss) before working capital changes		22,287,398	16,822,737	157,656	(72,210)
Changes in working capital:					
Receivables, deposits and prepayments		(577,623)	(2,826,116)	(1,023,086)	(61,774)
Deferred income		1,849,442	1,877,688	(8,583)	4,503
Payables and accruals		2,427,524	714,514	(616,774)	536,711
Cash generated from / (used in) operations		25,986,741	16,588,823	(1,490,787)	407,230
Income tax paid		(1,046,349)	(754,321)	(40,525)	(74,652)
Interest received		801,182	738,054	57,463	220,139
Net cash from / (used in) operating activities		25,741,574	16,572,556	(1,473,849)	552,717

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	27	(54,327)	151,747	-	(227,620)
Acquisition of an associate		(336,155)	-	-	-
Disposal of equity interest of a subsidiary, net cash outflow	28	(66,675)	-	-	-
Increase in investment in a subsidiary		-	-	(656,460)	-
Investment distribution income received		230,480	-	230,480	-
Investment in quoted unit trusts	7	(10,021,285)	-	(10,021,285)	-
Issuance of shares to minority interest		437,640	-	-	-
Purchase of property and equipment	3	(2,978,981)	(11,669,247)	(77,600)	-
Proceeds from disposal of property and equipment		15,712	121,599	-	-
Dividend received		-	-	5,000,000	3,500,000
Net cash (used in) / from investing activities		(12,773,591)	(11,395,901)	(5,524,865)	3,272,380
Cash flows from financing activities					
Dividends paid to shareholders of the Company	21	(2,538,312)	(3,015,000)	(2,538,312)	(3,015,000)
Dividends paid to minority shareholders		(1,884,957)	(84,684)	-	-
Proceeds from issuance of shares pursuant to ESOS		1,115,100	-	1,115,100	-
Net cash used in financing activities		(3,308,169)	(3,099,684)	(1,423,212)	(3,015,000)
Net increase / (decrease) in cash and cash equivalents		9,659,814	2,076,971	(8,421,926)	810,097
Cash and bank balances at beginning of the year		26,558,381	24,401,203	8,813,099	8,003,002
Effects of exchange rate changes on cash and cash equivalents		106,952	80,207	-	-
Cash and cash equivalents at end of year		36,325,147	26,558,381	391,173	8,813,099
Cash and cash equivalents comprise:					
Deposits with licensed banks		32,872,385	21,478,320	-	8,677,769
Cash and bank balances		3,452,762	5,080,061	391,173	135,330
	10	36,325,147	26,558,381	391,173	8,813,099

The notes on pages 34 to 67 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 MESDAQ Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

REGISTERED OFFICE
Level 7, Setia 1
15 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

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

The consolidated financial statements as at and for the year ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in an associate and a jointly controlled entity. The financial statements of the Company as at and for the year ended 31 December 2006 do not include other entities.

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

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

In this set of financial statements, the Group and the Company have chosen to early adopt Financial Reporting Standards (FRSs) 117, Leases and FRS 124, Related Party Disclosures which are effective for annual periods beginning on or after 1 October 2006.

The effects of adopting the new FRSs in 2006 are set out in note 31.

The MASB has also issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 January 2006, and that have not been applied in preparing these financial statements:

FRSs / Interpretations	Effective date
FRS 139, Financial Instruments: Recognition and Measurement	To be announced
FRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119_{2004}, Employee Benefits: Actuarial Gains and Losses, Group Plan and Disclosures	1 January 2007
Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2, Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

FRSs / Interpretations	Effective date
IC Interpretation 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7, Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8, Scope of FRS 2	1 July 2007

The Group and the Company plan to apply FRS 121 for the annual period beginning 1 January 2008.

FRS 6 and Amendment to FRS119_{2004} are not applicable to the Group and the Company. Hence, no further disclosure is warranted.

The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in paragraph 103AB of FRS 139.

The initial application of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

The financial statements were approved by the Board of Directors on 24 April 2007.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 4 – Impairment test of goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Certain comparative amounts have been reclassified to conform to the current year's presentation (see note 32).

(a) Basis of consolidation

(i) Subsidiaries

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

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's and a subsidiary's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Minority interest at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(ii) Associates

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

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Associates (cont'd)

Investments in associates are stated in a subsidiary's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Joint ventures

Jointly-controlled entities

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

Joint ventures are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

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

Investments in joint ventures are stated in a subsidiary's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iv) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. 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.

(v) Transactions eliminated on consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies 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 the income statement.

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

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

On disposal, accumulated translation differences are recognized in the consolidated income statement as part of the gain or loss on sale.

(c) Property and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. 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 on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had 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 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.

(ii) Subsequent costs

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property and equipment (cont'd)

(iii) Depreciation

Freehold land is not depreciated. Building under construction is not depreciated until the asset is ready for its intended use. All other property and equipment are depreciated on a straight-line basis over their estimated useful lives of each part of an item of property and equipment at the following principal annual rates:

Building	2%
Computers	25% - 33 $^1/_3$%
Furniture and fittings	10% - 20%
Office equipment	20% - 33 $^1/_3$%
Motor vehicles	10%
Leasehold equipment	25% - 25%

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(d) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

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

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment. When the excess is negative (negative goodwill), it is recognised immediately in the income statement. With the adoption of FRS 3, the carrying amount of negative goodwill at 1 January 2006 is derecognised with a corresponding adjustment to the opening balance of retained earnings.

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is tested for impairment when there is objective evidence of impairment.

(e) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries, associates and jointly-controlled entities, are stated at cost less allowance for diminution in value,

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments in equity securities (cont'd)

- all current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries, associates and jointly-controlled entities, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

a) the recognition of an asset on the day it is received by the entity, and

b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(f) Research and development

Expenditure on research and development activities is recognised in the income statement as an expense as incurred.

(g) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(h) Cash and cash equivalents

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

(i) Impairment of assets

The carrying amounts of assets except for financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date 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. 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 the income statement in the year in which the reversals are recognised.

(j) Share capital

Share issue expenses

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

(k) 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 provision 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.

The Group's contribution to the Employee's Provident Fund are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. In the previous years, share options granted to employees is not recognised as an employee cost. Following the adoption of FRS 2, *Share-based Payment*, the grant date fair value of share options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The change in accounting policy is not applied retrospectively as there were no share options granted after 31 December 2004 which have not vested as of 1 January 2006 as provided in the transitional provision of FRS 2. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Employee benefits (cont'd)

(ii) Share-based payment transactions (cont'd)

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

(l) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(m) Revenue

(i) Services rendered

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

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

(ii) Dividend and investment distribution income

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

(n) Government grants

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

(o) Lease payments

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

(p) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(q) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Tax expense (cont'd)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

(r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. PROPERTY AND EQUIPMENT

Group	Note	Freehold land RM	Building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Leasehold equipment RM	Building in progress RM	Total RM
Cost										
At 1 January 2005		-	-	2,781,393	760,080	504,558	-	112,920	-	4,158,951
Additions		6,176,401	4,117,601	958,929	241,538	109,948	-	64,830	-	11,669,247
Disposals		-	-	(151,279)	-	-	-	(89,588)	-	(240,867)
Written off		-	-	(8,691)	(196,637)	-	-	-	-	(205,328)
Exchange difference		-	-	(9,842)	(1,882)	5,401	-	3,214	-	(3,109)
At 31 December 2005/ 1 January 2006		6,176,401	4,117,601	3,570,510	803,099	619,907	-	91,376	-	15,378,894
Additions		-	-	1,106,083	1,273,038	389,330	64,272	68,658	77,600	2,978,981
Disposals		-	-	(46,247)	(5,760)	(11,640)	-	-	-	(63,647)
Written off		-	-	(22,281)	-	-	-	-	-	(22,281)
Deemed disposal of equity interest in a subsidiary	28	-	-	(287,985)	(63,775)	(89,436)	-	(11,178)	-	(452,374)
Exchange difference		-	-	(8,670)	(1,428)	305	-	454	-	(9,339)
At 31 December 2006		6,176,401	4,117,601	4,311,410	2,005,174	908,466	64,272	149,310	77,600	17,810,234

3. PROPERTY AND EQUIPMENT (CONT'D)

Group	Note	Freehold land RM	Building RM	Computers RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Leasehold equipment RM	Building in progress RM	Total RM
Depreciation										
At 1 January 2005		-	-	1,991,651	370,347	399,149	-	52,248	-	2,813,395
Charge for the year		-	-	486,814	96,346	72,500	-	20,832	-	676,492
Disposals		-	-	(78,206)	-	-	-	(41,062)	-	(119,268)
Written off		-	-	(8,690)	(60,399)	-	-	-	-	(69,089)
Exchange difference		-	-	(13,798)	(859)	10,805	-	1,860	-	(1,992)
At 31 December 2005/ 1 January 2006		-	-	2,377,771	405,435	482,454	-	33,878	-	3,299,538
Charge for the year		-	68,626	736,629	162,313	107,386	6,509	80,061	-	1,161,524
Disposals		-	-	(46,247)	(48)	(1,164)	-	-	-	(47,459)
Written off		-	-	(21,920)	-	-	-	-	-	(21,920)
Deemed disposal of equity interest in a subsidiary	28	-	-	(260,865)	(62,395)	(69,296)	-	(11,178)	-	(403,734)
Exchange difference		-	-	(8,644)	(1,891)	(138)	(82)	(751)	-	(11,506)
At 31 December 2006		-	68,626	2,776,724	503,414	519,242	6,427	102,010	-	3,976,443
Carrying amounts										
At 1 January 2005		-	-	789,742	389,733	105,409	-	60,672	-	1,345,556
At 31 December 2005/ 1 January 2006		6,176,401	4,117,601	1,192,739	397,664	137,453	-	57,498	-	12,079,356
At 31 December 2006		6,176,401	4,048,975	1,534,686	1,501,760	389,224	57,845	47,300	77,600	13,833,791

In the previous financial year, the building has not been depreciated as it was acquired towards the end of the financial year.

3. PROPERTY AND EQUIPMENT (CONT'D)

Company	Building-in-progress RM
Cost	
At 1 January 2005 / 31 December 2005 / 1 January 2006	-
Additions	77,600
At 31 December 2006	77,600
Carrying amounts	
At 31 December 2006	77,600
At 31 December 2005	-

During the year ended 31 December 2006, the Company acquired a building which is under construction for future use as office whereby progress payment made up to the balance sheet date totalled RM77,600.

4. GOODWILL

	Group	
	2006 RM	**2005 RM**
Cost		
At 1 January 2005	3,524,072	3,524,072
Acquisition through business combinations	160,809	-
Deemed disposal of equity interest in a subsidiary	(876,025)	-
Carrying amounts at 31 December 2006	2,808,856	3,524,072

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

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

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

	Group	
	2006 RM'000	**2005 RM'000**
Malaysia	1,867	1,867
Singapore	759	598
Philippines	183	183
India	-	876
	2,809	3,524

4. GOODWILL (CONT'D)

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

- The discount rate used is based on the Company's weighted average cost of capital of 12.07%.
- Cash flow projections are based on five-year financial projections prepared by management. Cash flows beyond the fifth year are projected based on a terminal value approach.

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

Impairment is recognised in the income statement when the carrying amount of a CGU exceeds its recoverable amount.

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

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2006 RM	2005 RM
Unquoted shares, at cost	19,411,333	18,754,873

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2006 %	Effective ownership interest 2005 %
* JobStreet.com Pte Ltd and its subsidiaries:	Singapore	Online recruitment and human resource management services	100	100
JobStreet.com Sdn Bhd	Malaysia	Online recruitment and human resource management services	100	100
* JobStreet.com Philippines Inc	Philippines	Online recruitment and human resource Management service	60	60
*** Jobstreet.com Limited	Hong Kong	Dormant	100	100
** Blurbme Holdings Pte Ltd (Note 27)	Singapore	Online lifestyle portal	51	-
** PT JobStreet Indonesia	Indonesia	Online recruitment and human resource management services	60	60

* Audited by other member firms of KPMG International
** Audited by other firms of auditors other than KPMG
*** Consolidated using management accounts

6. INVESTMENT IN AN ASSOCIATE AND A JOINTLY-CONTROLLED ENTITY

	Group 2006 RM	Group 2005 RM
At cost:		
Unquoted shares	6,162,679	-
Share of post-acquisition reserves	(1,963,769)	-
	4,198,910	-

Summary financial information on an associate and a jointly-controlled entity:

Group 2006	Country of incorporation	Effective ownership interest 2006 %	Effective ownership interest 2005 %	Revenues (100%) RM	Loss (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
Enerpro Pte Ltd	Singapore	42	-	689,115	(178,645)	700,000	16,180
JobStreet.com India Private Ltd	India	50	100	2,111,250	(1,010,459)	7,521,379	787,952

During the year, the Group acquired a 42 percent investment in Enerpro Pte Ltd and disposed a 50 percent investment in JobStreet.com India Private Ltd.

7. OTHER INVESTMENTS

	Group 2006 RM	Group 2005 RM
Non-current		
At cost:		
Unquoted shares outside Malaysia	114,995	116,279
Less: Impairment loss	(114,995)	(113,440)
Foreign exchange differences	-	(2,839)
	-	-

	Group and Company 2006 RM	Group and Company 2005 RM
Current		
At cost:		
Quoted unit trust in Malaysia	10,021,285	-
Market value:		
Quoted unit trust in Malaysia	10,342,544	-

8. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2006 RM	2005 RM	2006 RM	2005 RM	2006 RM	2005 RM
Group						
Property and equipment	(2,131)	-	(8,925)	(10,288)	(11,056)	(10,288)
Provisions	165,751	142,515	-	-	165,751	142,515
Tax loss carry-forwards	529,708	1,136,364	-	1,363	529,708	1,137,727
Net tax assets/ (liabilities)	693,328	1,278,879	(8,925)	(8,925)	684,403	1,269,954

Unrecognised deferred tax assets

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deductible temporary differences	1,386	1,207	154	-
Tax loss carry-forwards	886	4,151	-	-
Unabsorbed capital allowances	305	309	-	-
	2,577	5,667	154	-

The deductible temporary differences do not expire under current tax legislation.

During the financial year, the Group excluded unutilised tax loss carry-forwards of RM4,094,000 attributable to JobStreet.Com India Private Ltd. which has become a jointly controlled entity from a subsidiary previously.

In 2005, RM1,136,000 of previously unrecognised tax losses were recognised in a subsidiary as management considered it probable that future taxable profits will be available against which they can be utilised.

Movement in temporary differences during the year

Group	At 1.1.2005 RM	Recognised In income Statement (note 19) RM	Exchange difference RM	At 31.12.2005 RM	Recognised in income statement (note 19) RM	Exchange difference RM	At 31.12.2006 RM
Property and equipment	(10,288)	-	-	(10,288)	(768)	-	(11,056)
Provisions	58,732	83,783	-	142,515	21,525	1,711	165,751
Tax loss carry -forwards	1,363	1,136,364	-	1,137,727	(622,316)	14,297	529,708
	49,807	1,220,147	-	1,269,954	(601,559)	16,008	684,403

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Trade					
Trade receivables		10,139,617	10,389,731	173,256	153,879
Less: Allowance for doubtful debts		(1,873,623)	(1,517,160)	(53,317)	-
	a	8,265,994	8,872,571	119,939	153,879
Non-trade					
Amounts due from subsidiaries	b	-	-	26,965,483	5,036,359
Amount due from a jointly-controlled entity	b	203,764	-	-	-
Other receivables, deposits and prepayments		1,719,128	1,247,845	226,179	-
		1,922,892	1,247,845	27,191,662	5,036,359
		10,188,886	10,120,416	27,311,601	5,190,238

Note a
Trade receivables denominated in a currency other than the functional currency comprise RM365,518 (2005: RM9,129) of trade receivables denominated in U.S. Dollar.

Note b
The amounts due from subsidiaries and a jointly-controlled entity are unsecured, interest free and have no fixed terms of repayment.

10. CASH AND CASH EQUIVALENTS

	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Deposits with licensed banks	32,872,385	21,478,320	-	8,677,769
Cash and bank balances	3,452,762	5,080,061	391,173	135,330
	36,325,147	26,558,381	391,173	8,813,099

11. CAPITAL AND RESERVES

Share capital

	Group and Company 2006 RM	Group and Company 2005 RM
Authorised:		
Ordinary shares of RM0.10 each	50,000,000	50,000,000
Issued and fully paid:		
Ordinary shares of RM0.10 each		
At 1 January 2006 / 1 January 2005	20,100,000	20,100,000
Issue of shares under the employee share option scheme	206,500	-
At 31 December 2006 / 31 December 2005	20,306,500	20,100,000

11. CAPITAL AND RESERVES (CONT'D)

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.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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.

Retained earnings

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank in full all its retained profits at 31 December 2006 if paid out as dividends.

12. DEFERRED INCOME

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Prepaid services	a	7,700,458	5,809,157	15,650	24,233
Government grant	b	50,538	92,397	-	-
		7,750,996	5,901,554	15,650	24,233

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

Note b
A subsidiary has been awarded a government grant amounting to RM1,644,444, which was disbursed to the subsidiary in stages from 2003 to 2006 to fund research and development activities as specified in the grant agreement.

13. PAYABLES AND ACCRUALS

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Trade					
Trade payables	a	238,336	238,740	6,296	12,214
Non-trade					
Other payables and accrued expenses	a	5,010,339	3,539,382	103,727	50,415
Dividend payable	21	3,045,976	-	3,045,976	-
Amounts due to subsidiaries	b	-	-	-	594,996
		8,056,315	3,539,382	3,149,703	645,411
		8,294,651	3,778,122	3,155,999	657,625

13. PAYABLES AND ACCRUALS (CONT'D)

Note a
No payables denominated in currency other than the functional currency.

Note b
The amounts due to subsidiaries are non-trade in nature, unsecured, interest free and have no fixed terms of repayment.

14. EMPLOYEE BENEFITS

Share-based payments

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 and on 23 February 2006. In accordance with the scheme, the options are exercisable at the market price of the shares at the date of grant.

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

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

Grant date/employees entitled	Number of instruments '000	Vesting conditions	Contractual life of options
Options granted to key management personnel on 29 November 2004*	4,700	20% upon yearly service and achievement of individual targets**	5 years
Options granted to eligible employees on 29 November 2004*	10,190	20% upon yearly service and achievement of individual targets**	5 years
Options granted to eligible employees on 23 February 2006	2,525	25% upon yearly service and achievement of individual targets**	4 years
Total share options	17,415		

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

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

14. EMPLOYEE BENEFITS (CONT'D)

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

	Weighted average exercise price 2006	Number of options ('000) 2006	Weighted average exercise price 2005 Restated	Number of options ('000) 2005 Restated
Outstanding at 1 January	RM0.54	13,935	RM0.54	14,890
Granted during the year	RM1.35	2,525	-	-
Lapsed during the year	RM0.71	(2,015)	RM0.54	(955)
Forfeited during the year	RM0.54	(45)	-	-
Exercised during the year	RM0.54	(2,065)	-	-
Outstanding at 31 December	RM0.68	12,335	RM0.54	13,935
Exercisable at 31 December	RM0.54	565	RM0.54	2,687

The options outstanding at 31 December 2006 have an exercise price in the range of RM0.54 to RM1.35 and a weighted average contractual life of 2.9 years.

During the year, 2,065,000 share options were exercised (2005 – Nil). The weighted average share price for the year was RM1.76 (2005 – RM1.28).

The fair value of services received in return for share options granted on 23 February 2006 is based on the fair value of share options granted, measured using a trinomial lattice model, with the following inputs:

Fair value of share options and assumptions	**Eligible employees 2006**
Fair value at grant date	RM0.49
Weighted average share price	1.49
Exercise price	1.35
Expected volatility (weighted average volatility)	37.19%
Option life (expected weighted average life)	4 years
Expected dividends	12.60 sen
Risk-free interest rate (based on Malaysian government bonds)	3.68%

Value of employee services received for issue of share options

	Note	2006 RM	2005 RM
Share options granted in 2006		392,020	-
Total expense recognised as share-based payments	18	392,020	-

15. REVENUE

	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Services	65,513,378	54,995,737	565,349	680,159
Dividends	-	-	26,098,277	8,500,000
Investment distribution income	230,480	-	230,480	-
	65,743,858	54,995,737	26,894,106	9,180,159

16. OTHER OPERATING EXPENSES/(INCOME)

	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Other operating expenses/(income) is arrived at after charging:				
Auditor's remuneration				
- Statutory audit				
KPMG	55,000	50,000	35,000	30,000
Affiliates of KPMG	85,286	91,000	-	-
Other auditors	43,481	-	-	-
- Other services				
KPMG	25,000	11,000	25,000	11,000
Bad debts written off	326,609	86,516	-	-
Impairment loss on investment	-	113,440	-	-
Loss on disposal of property and equipment	476	-	-	-
Property and equipment written off	361	136,239	-	-
Realised foreign exchange loss	240,682	124,344	814	-
Unrealised foreign exchange loss	98,910	40,843	69,172	-
and crediting:				
Grant income	47,388	414,124	-	-
Unrealised foreign exchange gain	-	-	-	1,099

17. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Directors				
- Fees	76,750	20,000	76,750	20,000
- Remuneration	558,712	597,624	-	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	-	1,200	-	-
Total short-term employee benefits	635,462	618,824	76,750	20,000

17. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Other key management personnel:				
- Remuneration	510,876	500,040	-	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	600	1,200	-	-
	511,476	501,240	-	-
	1,146,938	1,120,064	76,750	20,000

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 entity either directly or indirectly.

18. STAFF COSTS

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Salaries and other employee benefits		16,946,811	12,803,015	275,140	312,946
EPF contributions		1,611,086	1,462,647	30,155	31,573
Share-based payments	14	392,020	-	73,201	-
		18,949,917	14,265,662	378,496	344,519

The number of employees of the Group and of the Company at the end of the year was 293 (2005 - 283) and Nil (2005 - Nil) respectively. The Company's staff requirement is supported by a subsidiary.

19. TAX EXPENSE / (INCOME)

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Continuing operation					
Total tax expense / (income)		2,267,789	(377,263)	40,525	74,652

Major components of tax expense include:

	Note	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Current tax					
Malaysia - current		85,000	120,959	25,000	60,959
Malaysia - prior year		18,229	17,944	15,525	13,693
Overseas - current		1,563,001	703,981	-	-
Total current tax recognised in the income statement		1,666,230	842,884	40,525	74,652
Deferred tax					
Origination and reversal of temporary differences	8	601,559	(1,220,147)	-	-
Total tax expense / (income)		2,267,789	(377,263)	40,525	74,652

19. TAX EXPENSE / (INCOME) (CONT'D)

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Reconciliation of effective tax expense				
Profit for the year	22,628	16,971	26,042	8,574
Tax expense/(income)	2,268	(377)	41	75
Profit before tax	24,896	16,594	26,083	8,649

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax calculated using Malaysian tax rate of 28% (2005: 28%)	6,971	4,646	7,303	2,422
Effect of tax rates in foreign jurisdictions	75	(72)	-	-
Effect of lower tax rate for a subsidiary*	(26)	(25)	-	-
Non-taxable income	(1,008)	(57)	(7,378)	(2,380)
Tax exempt income	(4,603)	(3,355)	-	(10)
Non-deductible expenses	586	175	57	29
Utilisation of tax losses previously unrecognised	-	(573)	-	-
Recognition of tax losses not recognised previously	-	(1,134)	-	-
Change in unrecognised temporary differences	255	-	43	-
	2,250	(395)	25	61
Under provided in prior year	18	18	16	14
Tax expense	2,268	(377)	41	75

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

Under the Multimedia Super Corridor ("MSC") status, the Company and a subsidiary have been granted pioneer status under the Promotion of Investments Act, 1986 in respect of their internet related services. The income from pioneer activities of the Company is fully exempted from Malaysian income tax for five years from 21 February 2005 to 20 February 2009 and is renewable to ten years. In respect of the subsidiary, the original tax exemption was from 28 May 1999 to 27 May 2005. The exemption has now been extended to 27 May 2009.

The current Malaysian taxation is in respect of interest income.

20. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 December 2006 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

20. EARNINGS PER SHARE (CONT'D)

Basic earnings per share (cont'd)

	Group 2006 RM	Group 2005 RM
Profit for the year attributable to ordinary shareholders	21,709,231	16,371,193

Weighted average number of ordinary shares

	Group 2006	Group 2005
Issued ordinary shares at 1 January	201,000,000	201,000,000
Effect of share options issued in 6 April 2006	971,348	-
Effect of share options issued in 13 June 2006	411,362	-
Weighted average number of ordinary shares at 31 December	202,382,710	201,000,000

	Group 2006	Group 2005
Basic earning per share (sen)	10.73	8.14

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2006 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group 2006 RM	Group 2005 RM
Profit for the year attributable to ordinary shareholders (diluted)	21,709,231	16,371,193

Weighted average number of ordinary shares (diluted)

	Group 2006	Group 2005
Weighted average number of ordinary shares at 31 December	202,382,710	201,000,000
Effect of share options on issue	7,673,202	8,010,000
Weighted average number of ordinary shares (diluted) at 31 December	210,055,912	209,010,000

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

	Group 2006	Group 2005
Diluted earning per share (sen)	10.33	7.83

21. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM	Date of payment
2006			
Final 2005 tax exempt	1.25	2,538,312	5 July 2006
First interim 2006 tax exempt	1.50	3,045,976	10 January 2007
Total amount		5,584,288	
2005			
First interim 2005 tax exempt	1.50	3,015,000	6 June 2005

22. SEGMENTAL REPORTING

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

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

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

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

Geographical segments

The Group comprises the following main geographical segments:

Malaysia
Singapore
Philippines
India and Indonesia ("Others")

22. SEGMENTAL REPORTING (CONT'D)

2006	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Unallocated RM	Consolidated RM
Geographical segments							
Revenue from external customers	45,696,953	9,971,029	7,939,750	2,136,126	-	-	65,743,858
Inter-segment revenue	27,985,561	-	-	-	(27,985,561)	-	-
Total revenue	73,682,514	9,971,029	7,939,750	2,135,926	(27,985,561)	-	65,743,858
Segment result							
Operating profit	15,805,690	2,347,104	4,383,291	(1,651,818)	(19,680)	-	20,864,587
Interest income	371,396	132,754	292,086	4,946	-	-	801,182
Gain on deemed disposal of:							
- a subsidiary	-	-	-	3,294,567	-	-	3,294,567
- an associate	-	24,832	-	-	-	-	24,832
Dividend income	26,098,277	24,185,635	-	-	(50,283,912)	-	-
Share of profit/(loss) after tax and minority interest of an associate and a jointly-controlled entity	-	12,287	-	(101,221)	-	-	(88,934)
Profit before tax	42,275,363	26,702,612	4,675,377	1,546,474	(50,303,592)	-	24,896,234
Tax expense	(103,229)	(620,953)	(1,546,229)	2,622	-	-	(2,267,789)
Profit for the year	42,172,134	26,081,659	3,129,148	1,549,096	(50,303,592)	-	22,628,445
Segment assets	50,347,449	15,791,832	7,615,548	813,190	-		74,568,019
Unallocated assets							3,680,130
Total assets							78,248,149
Segment liabilities	10,053,858	2,990,919	2,912,718	88,152	-		16,045,647
Unallocated liabilities							826,483
Total liabilities							16,872,130
Capital expenditure	2,508,680	45,281	94,071	330,949	-		2,978,981
Depreciation	872,972	91,285	116,187	81,080	-		1,161,524

22. SEGMENTAL INFORMATION (CONT'D)

2005 Geographical segments	Malaysia RM	Singapore RM	Philippines RM	Others RM	Eliminations RM	Unallocated RM	Consolidated RM
Revenue from external customers	38,671,395	8,692,834	4,577,185	3,054,323	-	-	54,995,737
Inter-segment revenue	9,202,485	-	-	-	(9,202,485)	-	-
Total revenue	47,873,880	8,692,834	4,577,185	3,054,323	(9,202,485)	-	54,995,737
Segment result							
Operating profit	11,750,138	2,161,249	1,938,114	32,132	(25,910)	-	15,855,723
Interest income	517,093	27,429	189,555	3,977	-	-	738,054
Dividend income	8,500,000	3,565,186	-	-	(12,065,186)	-	-
Profit before tax	20,767,231	5,753,864	2,127,669	36,109	(12,091,096)	-	16,593,777
Tax expense	(138,882)	1,134,404	(618,259)	-	-	-	377,263
Profit for the year	20,628,349	6,888,268	1,509,410	36,109	(12,091,096)	-	16,971,040
Segment assets	35,801,917	6,066,970	5,415,103	1,474,163	-		48,758,153
Unallocated assets							5,246,631
Total assets							54,004,784
Segment liabilities	5,263,347	2,328,957	1,608,395	478,977	-		9,679,676
Unallocated liabilities							315,973
Total liabilities							9,995,649
Capital expenditure	11,336,918	125,284	137,951	69,094	-		11,669,247
Depreciation	491,684	73,105	57,419	54,284	-		676,492

23. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

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

Credit risk

Management monitors the Group's exposure to credit risk on an ongoing basis. Credit reviews are performed on an ongoing basis and services for customers with poor payment track records are suspended.

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

Interest rate risk

Deposits are placed with licensed banks with varying maturing dates.

Effective interest rates and repricing analysis

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

	2006			2005		
Group	**Effective interest rate per annum %**	**Total RM**	**Within 1 year RM**	**Effective interest rate per annum %**	**Total RM**	**Within 1 year RM**
Financial assets						
Deposits with licensed banks	3.44	32,872,385	32,872,385	3.39	21,478,320	21,478,320
Company						
Financial assets						
Deposits with licensed banks	-	-	-	2.64	8,677,769	8,677,769

Currency risk

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

Liquidity risk

The Group monitors and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effect of fluctuations in cash flow.

23. FINANCIAL INSTRUMENTS (CONT'D)

Fair values

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

It was not practicable to estimate the fair value of the Company's inter-company balances with its subsidiaries and a jointly-controlled entity due principally to the lack of fixed repayment terms. However, the Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be received.

The fair value of quoted unit trust, together with the carrying amount shown in the balance sheets, is as follows:

	Group and Company			
	2006		2005	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Quoted unit trusts in Malaysia	10,021,285	10,342,544	-	-

24. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2006 RM	2005 RM
Less than one year	449,657	468,978
Between one and five years	245,954	221,431
	695,611	690,409

The Group leases a number of offices under operating leases. The leases typically run for an initial period of two years, with an option to renew the leases. None of the leases include contingent rentals.

25. CAPITAL COMMITMENTS

	Group/ Company	
	2006 RM	2005 RM
Capital expenditure commitments		
Property and equipment		
Contracted but not provided for and payable:		
Within one year	213,400	-
One year or later and no later than five years	97,000	-
	310,400	-

26. RELATED PARTIES

Identity of related parties

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

The Group has a related party relationship with its subsidiaries, associate, joint venture entity, Directors and key management personnel.

Transactions with key management personnel

Key management personnel compensation is disclosed in Note 17.

Other related party transactions

Company		Transaction value Year ended 31 December	
	Note	2006 RM	2005 RM
Dividend income			
JobStreet.com Pte. Ltd.	15	26,098,277	8,500,000

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances is secured.

27. ACQUISITION OF A SUBSIDIARY

Business combination

On 26 December 2006, JobStreet.com Pte. Ltd. completed the subscription of 51,000 new ordinary shares of S$1 each, representing 51% of the issued and paid-up share capital of Blurbme Holdings Pte. Ltd. ("Blurbme") for a total cash consideration of S$100,000. Blurbme is engaged in managing online lifestyle portal for restaurants, nightlife, spa and beauty establishments in Singapore. The acquisition was accounted for using the acquisition method of accounting.

The acquisition of Blurbme did not have an effect on the Group results as the acquisition was concluded towards the end of the financial year. If the acquisition had occurred on 1 January 2006, management estimates that there will be no financial impact to the consolidated revenue and the consolidated profit for the year would have been decreased by RM207,033.

27. ACQUISITION OF A SUBSIDIARY (CONT'D)

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

	Note	Pre-acquisition carrying amounts RM	Fair value adjustments RM	Recognised values on acquisition RM
Receivables, deposits and prepayments		2,666	-	2,666
Cash and cash equivalents		175,664	-	175,664
Payables and accruals		(42,678)	-	(42,678)
Identifiable assets and liabilities		135,652	-	135,652
Less: Minority interest		-	-	(66,470)
Net identifiable assets and liabilities				69,182
Goodwill on acquisition	4			160,809
Consideration paid, satisfied in cash				229,991
Cash acquired				(175,664)
Net cash outflow				54,327

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

The goodwill recognised on the acquisition is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's internet businesses.

28. DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

On 17 November 2006, E-18 Limited (formerly known as Tadcaster Holdings Limited), a subsidiary of Television Eighteen India Limited, subscribed for 424,500 new ordinary shares of JobStreet.com India Private Limited ("JobStreet India") corresponding to 50% of the enlarged equity capital of JobStreet India. The subscription by E-18 Limited resulted in a change in the status of JobStreet India from a subsidiary to a jointly-controlled entity of the Group.

28. DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY (CONT'D)

The disposal of the equity interest had the following effect on the Group's assets and liabilities on disposal date:

	Note	Group 2006 RM
Property and equipment	3	48,640
Receivables, deposits and prepayments		770,186
Cash and cash equivalents		66,675
Payables and accruals		(1,129,806)
Identifiable assets and liabilities disposed		(244,305)
Goodwill disposed	4	876,025
		631,720
Less: Equity interest		(315,860)
Net identifiable assets and liabilities		315,860
Gain on disposal of equity interest		3,294,567
Total consideration on disposal of equity interest		3,610,427
Increase in share of reserve in a jointly-controlled entity		(3,610,427)
		-
Cash disposed		(66,675)
Net cash outflow on disposal of equity interest		(66,675)

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

The price payable for the Option Shares ("Option Price") shall be:

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

- USD4 million, subject to applicable taxes and statutory levies (if any), if the Call Option is exercised after the First Period but prior to the last date of the Option Period.

29. SIGNIFICANT EVENTS

(a) On 31 July 2006, JobStreet.com Pte. Ltd. ("JobStreet Singapore") completed the subscription of 105,000 shares with a nominal value of S$1 each representing 46.67% equity interest in Enerpro Pte Ltd ("Enerpro") for a total cash consideration of S$105,000. Pursuant to an adjustment of the capital structure of Enerpro on 30 December 2006 which involved JobStreet Singapore investing an additional S$41,160 in Enerpro, JobStreet Singapore's equity interest in Enerpro decreased to 42%.

(b) On 17 November 2006, E-18 Limited (formerly known as Tadcaster Holdings Limited) ("E-18"), a subsidiary of Television Eighteen India Limited ("TV18"), completed the subscription of 424,500 new ordinary shares of Rs10 each in JobStreet.com India Private Limited ("JobStreet India") corresponding to 50% of the enlarged equity capital of JobStreet India for a total subscription amount of the rupee equivalent of USD2,000,031.75. The subscription by E-18 resulted in the Group recognising a gain on deemed disposal of 50% equity interest in JobStreet India amounting to approximately RM3.3 million during the financial year and a change in the status of JobStreet India from a subsidiary to a jointly controlled entity of the Group.

(c) On 26 December 2006, JobStreet Singapore completed the subscription of 51,000 new ordinary shares of S$1 each representing 51% of the issued and paid-up share capital of Blurbme Holdings Pte. Ltd. for a total cash consideration of S$100,000.

30. SUBSEQUENT EVENTS

On 7 February 2007, the Company announced that it had entered into a Conditional Subscription and Sale and Purchase Agreement with Recruit (BVI) Limited ("Recruit BVI"), Recruit Group Limited ("RGL") and Recruit Holdings Limited ("the SSP Agreement") for the following:-

(i) subscription of 1,000 ordinary shares of USD1.00 each in RGL representing 10% of the enlarged share capital of RGL for a cash consideration of HKD 7,500,000; and

(ii) purchase of 1,000 ordinary shares of USD1.00 each in RGL, representing 10% of the enlarged share capital of RGL, from Recruit BVI for a cash consideration of HKD7,500,000

On 15 February 2007, the Company further announced that all the conditions as stated in the SSP Agreement have been fulfilled and completed.

31. CHANGES IN ACCOUNTING POLICIES

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 December 2006.

The changes in accounting policies arising from the adoption of FRS 2, Share-based Payment, FRS 3, Business Combinations and FRS 136, Impairment of Assets are summarised below:

FRS 2, Share-based Payment

In accordance with the transitional provisions, FRS 2 has been applied to all grants after 1 January 2005. The adoption of FRS 2 has resulted in a change in the Group's and the Company's accounting policy for share-based payments, whereby the Group and the Company charges the cost of share options to the income statement. The change in accounting policy is made in accordance with their transitional provisions.

31. CHANGES IN ACCOUNTING POLICIES (CONT'D)

FRS 2, Share-based Payment (cont'd)

The adoption of FRS 2 resulted in:

	Group		Company	
	2006	**2005**	**2006**	**2005**
Income statement for the year ended 31 December	**RM**	**RM**	**RM**	**RM**
Increase in staff costs	392,020	-	73,201	-
Balance sheet at 31 December				
Increase in amounts due from subsidiaries	-	-	318,819	-

	Group	
	2006	**2005**
In sen	**RM**	**RM**
Earnings per share		
Decrease in basic earnings per share	(0.19)	-
Decrease in diluted earnings per share	(0.19)	-

FRS 3, Business Combinations and FRS 136, Impairment of Assets

The adoption of FRS 3 and FRS 136 has resulted in a change in the accounting policy for goodwill. The change in accounting policy is made in accordance with their transitional provisions.

Goodwill is stated at cost less accumulated impairment losses and is no longer amortised. Instead, goodwill impairment is tested annually, or when circumstances change, indicating that goodwill might be impaired. Negative goodwill is recognised immediately in the income statement. This change did not affect the preparation of the financial statements for the financial year ended 31 December 2006.

32. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation of the current year.

	Group		Company	
	As restated RM	**As previously stated RM**	**As restated RM**	**As previously stated RM**
Balance sheet				
Reserves	6,571,880	22,341,227	6,378,571	11,976,352
Retained earnings	15,769,347	-	5,597,781	-
Trade and other payables	-	9,679,676	-	681,858
Deferred income	5,901,554	-	24,233	-
Payables and accruals	3,788,122	-	657,625	-
Cash flow statements				
Unrealised foreign exchange loss/(gain)	40,843	-	(1,099)	-
Operating profit/(loss) before working capital changes	16,822,737	16,781,894	(72,210)	(71,111)
Deferred income	1,877,737	-	4,503	-
Payables and accruals	714,514	-	536,711	-
Trade and other payables and deferred income	-	2,633,045	-	540,115

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Net Book Value as at 31.12.2006 (RM)	Date of Acquisition
Wisma JobStreet.com No. 27, Lorong Medan Tuanku 1, Off Jalan Tuanku Abdul Rahman, 50350 Kuala Lumpur	8-storey office building with basement	JobStreet's Head Office	22	3,917	Freehold	10,225,376	6.12.2005

ANALYSIS OF SHAREHOLDINGS
as at 27 April 2007

Authorised Capital	:	RM50,000,000.00
Issued And Paid-up Capital	:	RM20,306,500.00
Class of Share	:	Ordinary shares of RM0.10 each
Voting Right	:	One vote per ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100 shares	19	2.25	1,016	0.00
100 – 999 shares	43	5.09	11,470	0.00
1,000 – 4,999 shares	420	49.70	581,230	0.29
5,000 – 10,000 shares	123	14.56	847,480	0.42
10,001 – 100,000 shares	160	18.93	5,390,669	2.65
100,001 – 1,000,000 shares	50	5.92	14,660,281	7.22
Above 1,000,000 shares	30	3.55	181,572,854	89.42
Total	**845**	**100.00**	**203,065,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(As per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Chang Mun Kee	25,700,250	12.66	-	-
Wong Siew Hui	22,327,710	11.00	-	-
Ng Kay Yip	19,015,540	9.36	-	-
Lim Chao Li	17,188,710	8.46	-	-
UBS SEC LLC for Armor Capital PTNR, L.P.	11,470,672	5.65	-	-
Armor Capital Management LLC	-	-	11,867,200*	5.84
Level Global Overseas Master Fund, Ltd	11,200,000	5.52	-	-
Level Global Investors, L.P.	-	-	11,200,000**	5.52
Tiger Global Management LLC	10,377,400	5.11	-	-
Charles P. Coleman III	-	-	10.377,400***	5.11

* Deemed interested by virtue of Armor Capital Management LLC's ("ACM") capacity as an investment manager, ACM has voting control over all the shares of the respective registered holders as follows:-

(i) 9,019,072 Ordinary Shares of RM0.10 each held by Armor Capital Partners, LP

(ii) 1,898,752 Ordinary Shares of RM0.10 each held by Armor Qualified LP

(iii) 949,376 Ordinary Shares of RM0.10 each held by First New York Securities, LLC

** Deemed interested by virtue of Level Global Investors, L.P.'s ("LGI") role and capacity as an investment manager and its entitlement to voting control over all the shares through direct equity interest held by Level Global Overseas Master Fund, Ltd.

*** Deemed interested by virtue of Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares Held Direct	%	Indirect	%
Datuk Ali bin Abdul Kadir	200,000	0.10	70,000 *	0.04
Tan Sri Dato' Dr Lin See Yan	1,100,000	0.54	-	-
Chang Mun Kee	25,700,250	12.66	-	-
Lim Chao Li	17,188,710	8.46	-	-
Ng Kay Yip	19,015,540	9.36	-	-
Suresh A/L Thirugnanam	8,336,940	4.11	-	-

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

30 LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%
1.	Chang Mun Kee	25,700,250	12.66
2.	Wong Siew Hui	22,327,710	11.00
3.	Ng Kay Yip	19,015,540	9.36
4.	Lim Chao Li	17,188,710	8.46
5.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Morgan Stanley & Co. Incorporated*	12,413,100	6.11
6.	Citigroup Nominees (Asing) Sdn Bhd *UBS SEC LLC for Armor Capital Partners, L.P.*	11,470,672	5.65
7.	Citigroup Nominees (Asing) Sdn Bhd *GSCO for Level Global Overseas Master Fund Ltd*	11,200,000	5.52
8.	Suresh A/L Thirugnanam	8,336,940	4.11
9.	Gregory Charles Poarch	6,777,450	3.34
10.	HSBC Nominees (Asing) Sdn Bhd *BBH (LUX) SCA for Fidelity Funds Asean*	6,564,700	3.23
11.	WIIG Global Ventures Ptd Ltd	4,370,420	2.15
12.	AMMB Nominees (Tempatan) Sdn Bhd *AmTrustee Berhad for Pacific Pearl Fund (5/1-9)*	3,703,400	1.82
13.	Citigroup Nominees (Asing) Sdn Bhd *PLL for Acacia Partners LP*	3,500,000	1.72

30 LARGEST SHAREHOLDERS (CONT'D)

Name		No. of Shares Held	%
14.	Citigroup Nominees (Asing) Sdn Bhd *UBS SEC LLC for Armor Qualified LP*	3,372,252	1.66
15.	Lee Sau Eng	2,435,000	1.20
16.	Natarajan Muralidharan	2,302,940	1.13
17.	Mavcap Technology Sdn Bhd	2,079,250	1.02
18.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Susy Ding (CEB)*	1,855,000	0.91
19.	HSBC Nominees (Asing) Sdn Bhd *BBH (LUX) SCA for Fidelity Funds Malaysia*	1,831,400	0.90
20.	BI Walden Ventures Ketiga Sdn Bhd	1,806,000	0.89
21.	CIMB Group Nominees (Tempatan) Sdn Bhd *CIMB Trustee Berhad for Pacific Dana Aman (3717 TRO1)*	1,736,500	0.86
22.	Universal Trustee (Malaysia) Berhad *SBB Emerging Companies Growth Fund*	1,686,600	0.83
23.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Value Fund (4223)*	1,471,200	0.72
24.	Citigroup Nominees (Asing) Sdn Bhd *PLL for Acacia Institutional Partners LP*	1,300,000	0.64
25.	Infotech Ventures Ltd	1,277,000	0.63
26.	Citigroup Nominees (Asing) Sdn Bhd *Citibank Singapore Global Window for Savers Malaysia Fund*	1,258,000	0.62
27.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *Exempt AN for Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT)*	1,256,800	0.62
28.	C.J. Lim Holdings Sdn. Bhd.	1,200,090	0.59
29.	Lin Hai Moh @ Lin See Yan	1,100,000	0.54
30.	Ng Kay Ian	1,035,930	0.51

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of JOBSTREET CORPORATION BERHAD will be held at 5th Floor, Wisma JobStreet.com, No. 27, Lorong Medan Tuanku 1, (Off Jalan Sultan Ismail), 50300 Kuala Lumpur on Thursday, 21 June 2007 at 10.00 a.m. for the following purposes:-

A G E N D A

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2006 together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution 1

2. To approve the payment of Directors' Fees for the financial year ended 31 December 2006.

Ordinary Resolution 2

3. To re-elect the following Directors retiring under Article 83 of the Articles of Association of the Company:-

   i) Datuk Ali bin Abdul Kadir **Ordinary Resolution 3**

   ii) Mr Suresh A/L Thirugnanam **Ordinary Resolution 4**

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

Ordinary Resolution 5

As Special Business

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

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

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

Ordinary Resolution 6

6. **Proposed Grant of Authority to 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 Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("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

6. **Proposed Grant of Authority to the Company to Purchase its Own Ordinary Shares ("Proposed Share Buy-Back") (cont'd)**

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 2006, the audited share premium account and retained earnings of the Company stood at approximately RM7.29 million and RM26.06 million respectively. Based on the management accounts of the Company for the three (3) months ended 31 March 2007, the share premium account and retained earnings of JCB stood at approximately RM7.29 million and RM25.92 million respectively;

(iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence after 29 November 2007 i.e. three (3) years after the admission of the Company to the official list of Bursa Securities 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 shall 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

(iv) upon the purchase(s) of the JCB Shares by the Company, the Directors of the Company be and are hereby authorised to cancel up to all 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;

6. **Proposed Grant of Authority to the Company to Purchase its Own Ordinary Shares ("Proposed Share Buy-Back") (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 7

7. **Proposed Adoption of New Articles of Association of the Company**

"THAT the existing Articles of Association of the Company be deleted in its entirety and that the new set of Articles of Association of the Company in the form contained in Appendix I of the Circular to the Shareholders dated 29 May 2007 be and is hereby approved and adopted in its entirety in substitution for and to the exclusion of the existing Articles of Association of the Company AND THAT the Directors and Company Secretary be and are hereby authorised to take all such steps as are necessary and expedient to effect and complete the adoption of new Articles of Association of the Company."

Special Resolution 1

BY ORDER OF THE BOARD

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

Kuala Lumpur

Date: 29 May 2007

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the meeting.

5. **EXPLANATORY NOTE ON THE SPECIAL BUSINESS**

(i) Ordinary Resolution 6 on the Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.

The Ordinary Resolution 6, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

(ii) Ordinary Resolution 7 on the Proposed Share Buy-Back

Ordinary Resolution 7, if passed, will give the Directors of the Company, after 29 November 2007, authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of the 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 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 after the AGM date is required by law to be held.

(iii) Special Resolution 1 on the Proposed Adoption of New Articles of Association of the Company

Special Resolution 1, if passed, will ensure the Articles of Association of the Company is in line with the Listing Requirements, any prevailing laws, rules, regulations, orders, guidelines or requirements of the relevant authorities and to enhance administrative efficiency.

STATEMENT ACCOMPANYING NOTICE OF THIRD ANNUAL GENERAL MEETING

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

i. Datuk Ali bin Abdul Kadir
ii. Mr. Suresh A/L Thirugnanam

The profiles of the Directors standing for re-election are set out on pages 8 to 9 of the Annual Report.

2. Details of attendance of Directors at Board Meetings Held in 2006

There were four (4) Board Meetings held during the financial year ended 31 December 2006. Details of the attendance of the Directors at Board Meetings are set out in the Statement of Corporate Governance on page 11 of the Annual Report.

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

The Third Annual General Meeting of the Company will be held at Wisma JobStreet.com, No. 27, Lorong Medan Tuanku 1, (Off Jalan Sultan Ismail), 50300 Kuala Lumpur on Thursday, 21 June 2007 at 10.00 a.m..

4. Further details of Directors standing for re-election

For details of Directors standing for re-election at the Third Annual General Meeting, please refer to pages 8 to 9 of the Annual Report.

JobStreet corporation berhad
(Company No.: 641378-W)
Incorporated in Malaysia under the Companies Act, 1965

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 Third Annual General Meeting of the Company to be held at 8th Floor, Wisma JobStreet.com, No. 27, Lorong Medan Tuanku 1, (Off Jalan Sultan Ismail), 50300 Kuala Lumpur on Thursday, 21 June 2007 at 10.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	***Ordinary Resolution***	***For***	***Against***
1.	Adoption of Audited Financial Statements for the financial year ended 31 December 2006 and the Reports of the Directors and Auditors		
2.	Approval of Directors' Fees		
3.	Re-election of Datuk Ali bin Abdul Kadir		
4.	Re-election of Mr. Suresh A/L Thirugnanam		
5.	Re-appointment of Auditors		
6.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		
7.	Proposed Share Buy-Back		
No.	***Special Resolution***		
1.	Proposed Adoption of New Articles of Association of the Company		

[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 ……………………. 2007

....
Signature:
Shareholder or Common Seal

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint two (2) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the meeting.

AFFIX
STAMP

The Company Secretary
JOBSTREET CORPORATION BERHAD
(Company No.: 641378-W)
Level 7, Setia 1
15 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur