

## **EXPLANATORY NOTES AND ADDITIONAL INFORMATION**

### **1. Basis of Preparation**

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2022.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2022 except for the following which were adopted at the beginning of the current financial year.

#### **MFRS and Amendments effective for annual periods beginning on or after 1 January 2023**

- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

#### **Amendments effective for annual periods beginning on or after 1 January 2024**

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

#### **Amendments effective for annual periods beginning on or after 1 January 2025**

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

#### **Amendments effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

- from the annual period beginning on 1 January 2024 for the amendment that are effective for annual periods beginning on or after 1 January 2024
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025

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

**2. Seasonality or Cyclicity of Interim Operations**

Generally, the Group’s operations are not affected by seasonal or cyclical factors. However, the Group’s share of profit from an associate company which is involved in the job portal business may be negatively impacted in the last quarter of the year as recruitment activities tend to slow down towards year-end and during major holidays.

**3. Unusual Items**

There were no items or events that arose during the quarter under review, which affected assets, liabilities, equity, net income or cash flows that are unusual by reason of their nature, size or incidence.

**4. Changes in Estimates**

There were no changes in the nature and amount of estimates reported that have a material effect during the quarter under review.

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

Other than the disposal of 104 Corporation shares as mentioned in Note 12, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

**6. Dividends Paid**

No dividend has been declared or paid during the quarter under review.

**7. Operating Segments**

The information reported to the Group’s chief operating decision maker, who is also the Group’s Chief Executive Officer, for the purposes of resource allocation and assessment of performance is segregated according to the following segments:

Investment holding	Includes equity investments, property investments, treasury investments, investment in associates, and property leasing
Others	Includes online advertising and contract staffing

**Cumulative Quarter Ended 31/12/2023**  
**(The figures have not been audited)**

	<b>Investment holding RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment revenue</b>				
Revenue from external customers	1,332	201	-	1,533
Inter segment revenue	5	-	(5)	-
Dividends	20,764	-	(12,900)	7,864
Interest income	1,496	-	-	1,496
Investment distribution income	15	-	-	15
Revenue for the year	<u>23,612</u>	<u>201</u>	<u>(12,905)</u>	<u>10,908</u>
<b>Segment profit/(loss)</b>				
Operating profit/(loss) for reportable segments	20,678	(152)	(13,080)	7,446
Interest expense	(11)	-	-	(11)
Changes in fair value of investment properties	412	-	-	412
Gain on disposal of a subsidiary	88	-	-	88
Gain on disposal of investment in an associate	18,474	-	-	18,474
Gain on financial assets classified as fair value through profit or loss	1,467	-	-	1,467
Share of profit of equity-accounted associates	13,440	-	-	13,440
<b>Profit before tax</b>	<u>54,548</u>	<u>(152)</u>	<u>(13,080)</u>	<u>41,316</u>
Income tax expense	(5,827)	(3)	-	(5,830)
<b>Profit for the year</b>	<u>48,721</u>	<u>(155)</u>	<u>(13,080)</u>	<u>35,486</u>
<b>Segment assets</b>	<u>478,928</u>	<u>156</u>	<u>(103,311)</u>	<u>375,773</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	114,227	-	-	114,227
Non-current assets other than financial instruments and deferred tax assets	18,084	-	-	18,084
Additions to non-current assets other than financial instruments and deferred tax assets	18	-	-	18
<b>Other segment information</b>				
Depreciation of property and equipment	28	-	-	28
Depreciation of right-of-use assets	62	-	-	62

**Cumulative Quarter Ended 31/12/2022**

	<b>Investment holding RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment revenue</b>				
Revenue from external customers	1,254	391	-	1,645
Inter segment revenue	4	-	(4)	-
Dividends	19,308	-	(12,146)	7,162
Interest income	670	-	-	670
Investment distribution income	54	-	-	54
Revenue for the year	<u>21,290</u>	<u>391</u>	<u>(12,150)</u>	<u>9,531</u>
<b>Segment profit/(loss)</b>				
Operating profit/(loss) for reportable segments	18,173	(135)	(12,577)	5,461
Interest expense	(9)	(1)	-	(10)
Gain on disposal of investment in an associate	5,033	-	-	5,033
Gain on financial assets classified as fair value through profit or loss	464	-	-	464
Impairment loss on amount due from subsidiaries	(312)	-	312	-
Share of profit of equity-accounted associates	14,651	-	-	14,651
<b>Profit before tax</b>	<u>38,000</u>	<u>(136)</u>	<u>(12,265)</u>	<u>25,599</u>
Income tax expense	(2,019)	(6)	-	(2,025)
<b>Profit for the year</b>	<u>35,981</u>	<u>(142)</u>	<u>(12,265)</u>	<u>23,574</u>
<b>Segment assets</b>	<u>453,732</u>	<u>372</u>	<u>(103,311)</u>	<u>350,793</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	125,706	-	-	125,706
Non-current assets other than financial instruments and deferred tax assets	18,539	-	-	18,539
Additions to non-current assets other than financial instruments and deferred tax assets	142	-	-	142
<b>Other segment information</b>				
Depreciation of property and equipment	42	-	-	42
Depreciation of right-of-use assets	59	-	-	59

**8. Subsequent Events**

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements for the current quarter.

**9. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**10. Changes in contingent assets and contingent liabilities**

There were no material contingent liabilities or contingent assets as at 16 February 2024 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

**11. Capital Commitments**

	<b>As at 31.12.2023 RM'000</b>
<b>Investment in unquoted shares</b>	
Contracted but not provided for:	304
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**12. Review of Performance for the Quarter**

For the quarter ended 31 December 2023, consolidated revenue amounted to RM1.28 million, which was slightly higher than the revenue in the corresponding quarter in the preceding year of RM1.10 million. The increase was mainly due to higher interest income from the Group’s bank deposits.

The Group reported higher foreign exchange losses of RM0.58 million in the current quarter compared with RM0.25 million in Q4 2022. The foreign exchange losses consisted primarily of unrealised foreign exchange losses on the Group’s US Dollar and Hong Kong Dollar denominated bank deposits as the Ringgit strengthened from USD1:RM4.6965 and HKD1:RM0.60 at the end of September 2023 to USD1:RM4.598 and HKD1:RM0.5886 at the end of December 2023. This trend was consistent with the foreign exchange losses incurred in Q4 2022.

During the quarter under review, the Company had continued to dispose shares in an associate, 104 Corporation, and in the process the Group recorded gains on disposal of the said shares amounting to RM5.68 million. Following the disposals, the Company continued to hold 18.65% equity interest in 104 Corporation as at 31 December 2023.

Our share of profit from equity accounted associates increased by 34.9% year-over-year to RM3.03 million in Q4 2023 from RM2.24 million in the corresponding quarter of 2022. 104 Corporation, a leading provider of integrated human resource services in Taiwan, reported a higher net profit to NT\$78.32 million in the current quarter compared with NT\$68.20 million in Q4 2022 mainly due to an increase in its revenue from NT\$525.22 million in Q4 2022 to NT\$569.70 million in Q4 2023. Our other associate, Innity Corporation Berhad registered a net profit of RM3.57 million in the current quarter under review compared with RM0.41 million in Q4 2022 on the back of an increase in revenue from RM27.25 million in Q4 2022 to RM29.83 million in Q4 2023.

The Group’s profit before tax (“PBT”) increased by 216.3% to RM8.66 million in Q4 2023 from RM2.74 million in Q4 2022 mainly attributable to the higher revenue, share of profit from associates and gains on disposal of shares respectively as mentioned above. In addition, gains on

financial asset classified as fair value through profit or loss of RM0.40 million recorded in Q4 2023 had also contributed to the higher PBT in the current quarter under review.

### **13. Comparison with previous quarter's results**

	Q4 2023 <u>Current Quarter</u> RM'000	Q3 2023 <u>Preceding Quarter</u> RM'000
Revenue	1,278	4,296
Profit before tax	8,663	12,105

For the current quarter under review, the Group posted a lower revenue of RM1.28 million compared with RM4.30 million reported in the preceding quarter mainly due to lower dividend income from quoted investments.

Apart from the lower revenue, the Group recorded a lower PBT in the current quarter mainly due to the foreign exchange losses of RM0.58 million compared with foreign exchange gains of RM0.46 million in Q3 2023 and lower share of profit from associates amounting to RM3.03 million compared with RM4.16 million in the previous quarter. The decrease in PBT as a result of these factors were partially mitigated by a higher gain on disposal of shares in an associate of RM5.68 million in Q4 2023 compared with RM3.67 million in Q3 2023.

### **14. Prospects for the Year 2024**

Pending further acquisitions of new businesses and/or investments, the Group’s future prospects will depend on the performance of its associated companies in Taiwan and Malaysia, quoted investments, foreign exchange rates and operating activities in Malaysia. The Group will derive income primarily from dividend income from its quoted investments and rental income from its investment properties. The Board and management will endeavour to identify and evaluate new businesses and/or assets to be acquired by the Company which can contribute to the financial performance of the Group. The Group has a healthy cash position, receives good cash flow from its investments and does not have any material debt.

The global economic recovery from the COVID-19 pandemic, Russia’s invasion of Ukraine, and the cost-of-living crisis is demonstrating unexpected resilience. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024. The International Monetary Fund (“IMF”) projected global growth at 3.1% in 2024, which is 0.2 percentage points higher than in the October 2023 forecast. This upward revision is attributed to the greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. Inflation is declining more rapidly than anticipated across most regions, as supply-side challenges are being addressed and monetary policy is becoming more restrictive.

With disinflation and steady growth, the possibility of a severe economic downturn has diminished, and the risks to global growth are generally balanced. On the upside, faster disinflation could enable central banks to move forward with their policy-easing plans and ultimately stimulating growth. Governments in major economies may opt to withdraw fiscal policy support at a slower pace than needed, potentially resulting in temporarily higher growth. However, this approach poses the risk of a more costly adjustment in the future. On the downside, new commodity price spikes resulting from geopolitical shocks, such as ongoing attacks in the Red Sea, along with supply disruptions or persistent underlying inflation, may prolong tight monetary conditions. Moreover, escalating challenges in the property sector in China or, elsewhere, tax hikes and spending cuts could also lead to growth disappointments.

**15. Profit Forecast**

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

**16. Taxation**

The taxation charge for the current quarter includes the following:

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Estimated current tax payable	48	77	2,096	2,042
Deferred taxation	386	(60)	3,734	(17)
	<u>434</u>	<u>17</u>	<u>5,830</u>	<u>2,025</u>

**17. Investments**

The Group’s investments during the current quarter and financial year-to-date are as follows:-

	<b>Individual Quarter Ended 31.12.2023</b>	<b>Cumulative Quarter Ended 31.12.2023</b>
	<b>RM’000</b>	<b>RM’000</b>
Associate companies		
Share of results and changes in equity in associates and exchange differences	4,000	1,189
Sales proceeds	(9,374)	(31,142)
Gain on disposal of shares	5,681	18,474
	<u>          </u>	<u>          </u>
Long term:		
Purchase consideration	5,075	5,652
Sale proceeds	(145)	(2,691)
Changes in fair value	(2,275)	(7,255)
	<u>          </u>	<u>          </u>
Short term:		
Purchase consideration	836	28,170
Sale proceeds	(6,780)	(16,520)
Changes in fair value	397	1,467
	<u>          </u>	<u>          </u>

The Group’s investments at fair value through other comprehensive income, investments in the quoted securities of associate companies and other short-term investments at fair value through profit or loss as at 31 December 2023 are summarized below:

	<b>RM’000</b>
At cost	248,136
At carrying value/book value	282,563 <sup>^</sup>
At market value	378,330
	<u>          </u>

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

^ Carrying value of investments in associate companies represents the Group’s proportionate share of net assets in the associate companies.

## **18. Status of Corporate Proposals**

### **Proposed disposal of ordinary shares in JS E-Recruitment Ltd**

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

## **19. Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

## **20. Dividend**

No dividend has been declared during the quarter under review in line with the discontinuation of the previous dividend policy with effect from 22 February 2016.

## **21. Earnings Per Share**

### **Basic earnings per share**

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

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Net profit attributable to owners of the Company (RM’000)	8,229	2,721	35,490	23,573
Weighted average number of shares in issue (‘000)	132,030	132,030	132,030	132,030
Basic earnings per share (sen)	6.23	2.06	26.88	17.85

### **Fully diluted earnings per share**

No diluted earnings per share is disclosed in the financial statements as there are no dilutive potential ordinary shares.



**22. Profit for the Period**

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period is arrived at after (charging)/ crediting: -				
Interest income	570	186	1,485	660
Depreciation of property and equipment	(5)	(11)	(28)	(42)
Depreciation of right-of-use assets	(16)	(15)	(62)	(59)

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

**23. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors.