

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 2023.

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 2023 except for the following which were adopted at the beginning of the current financial year.

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

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 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 adoption of the abovementioned amendments to MFRSs did not have any material impact to the current and prior periods 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

During the quarter under review, the Company had bought back from the open market 107,000 of its issued ordinary shares (“JcbNext Shares”) at an average buy-back price of approximately RM1.61 per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the quarter under review was RM172,063. The JcbNext Shares bought back are held as treasury shares in accordance with Section 127 Subsection 4(b) of the Companies Act 2016. At 30 June 2024, the Company held 294,000 of its own shares as treasury shares.

Other than the aforementioned share-buy-back, the Company continued to dispose 104 Corporation shares during the quarter under review as mentioned in Note 12.

Saved as disclosed above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

6. Dividends Paid

The shareholders of the Company had on 20 June 2024 approved the payment of a final single tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM8.563 million. The dividend was subsequently paid on 25 July 2024.

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
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Others *	Includes online advertising and contract staffing
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* The reporting on the performance of contract staffing ceased on 1 July 2023, following the Company's disposal of a 60% equity interest in Greenfield Japan Kabushiki Kaisha on 30 June 2023.

Cumulative Quarter Ended 30/06/2024
(The figures have not been audited)

	Investment holding RM’000	Others RM’000	Eliminations RM’000	Consolidated RM’000
Segment revenue				
Revenue from external customers	655	-	-	655
Inter segment revenue	2	-	(2)	-
Dividends	3,809	-	-	3,809
Interest income	1,648	-	-	1,648
Investment distribution income	47	-	-	47
Revenue for the year	<u>6,161</u>	<u>-</u>	<u>(2)</u>	<u>6,159</u>
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	5,067	(80)	(79)	4,908
Interest expense	(4)	-	-	(4)
Gain on disposal of investment in an associate	17,521	-	-	17,521
Gain on financial assets classified as fair value through profit or loss	566	-	-	566
Share of profit of equity-accounted associates	5,053	-	-	5,053
Profit before tax	<u>28,203</u>	<u>(80)</u>	<u>(79)</u>	<u>28,044</u>
Income tax expense	356	-	-	356
Profit for the year	<u>28,559</u>	<u>(80)</u>	<u>(79)</u>	<u>28,400</u>
Segment assets	<u>521,434</u>	<u>139</u>	<u>(104,770)</u>	<u>416,803</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	92,005	-	-	92,005
Non-current assets other than financial instruments and deferred tax assets	18,042	-	-	18,042
Additions to non-current assets other than financial instruments and deferred tax assets	133	--	--	133
Other segment information				
Depreciation of property and equipment	11	-	-	11
Depreciation of right-of-use assets	32	-	-	32

Cumulative Quarter Ended 30/06/2023

	Investment holding RM’000	Others RM’000	Eliminations RM’000	Consolidated RM’000
Segment revenue				
Revenue from external customers	674	201	-	875
Inter segment revenue	2	-	(2)	-
Dividends	3,998	-	-	3,998
Interest income	461	-	-	461
Revenue for the year	<u>5,135</u>	<u>201</u>	<u>(2)</u>	<u>5,334</u>
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	4,697	(82)	(229)	4,386
Interest expense	(6)	-	-	(6)
Gain on disposal of a subsidiary	88	-	-	88
Gain on disposal of investment in an associate	9,125	-	-	9,125
Gain on financial assets classified as fair value through profit or loss	700	-	-	700
Share of profit of equity-accounted associates	6,255	-	-	6,255
Profit before tax	<u>20,859</u>	<u>(82)</u>	<u>(229)</u>	<u>20,548</u>
Income tax expense	(1,903)	(3)	-	(1,906)
Profit for the year	<u>18,956</u>	<u>(85)</u>	<u>(229)</u>	<u>18,642</u>
Segment assets	<u>479,243</u>	<u>128</u>	<u>(103,611)</u>	<u>375,760</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	115,926	-	-	115,926
Non-current assets other than financial instruments and deferred tax assets	18,496	-	-	18,496
Other segment information				
Depreciation of property and equipment	17	-	-	17
Depreciation of right-of-use assets	30	-	-	30

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 20 August 2024 (being the latest practicable date not earlier than 7 days from the date of issue of this interim financial report).

11. Capital Commitments

	As at 30.06.2024 RM'000
Investment in unquoted shares	
Contracted but not provided for:	312
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12. Review of Performance for the Quarter

For the quarter ended 30 June 2024, consolidated revenue amounted to RM4.60 million, which was slightly higher than the revenue in the corresponding quarter in the preceding year of RM4.43 million. The increase was mainly due to higher interest income from the Group’s bank deposits.

The Group reported foreign exchange losses of RM0.15 million in the current quarter compared with foreign exchange gains of RM1.27 million in Q2 2023. The foreign exchange losses consisted primarily of unrealised foreign exchange losses on the Group’s US Dollar and Singapore Dollar denominated bank deposits as the Ringgit strengthen from USD1:RM4.7195 and SGD1:RM3.4975 at the end of March 2024 to USD1:RM4.7175 and SGD1:RM3.478 at the end of June 2024. In the corresponding quarter of 2023, the foreign exchange gains consisted mainly of unrealised foreign exchange gains on the Group’s US Dollar, Singapore Dollar and Hong Kong Dollar denominated bank deposits.

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 RM9.49 million, an increase of 77.5% compared with gains of RM5.35 million recorded in Q2 2023. Following the disposals, the Company continued to hold 16.09% equity interest in 104 Corporation as at 30 June 2024.

Our share of profit from equity accounted associates decreased by 15.8% year-over-year to RM3.11 million in Q2 2024 from RM3.69 million in the corresponding quarter of 2023. 104 Corporation, a leading provider of integrated human resource services in Taiwan, reported a 16.4% year-on-year increase in net profit attributed to shareholders of NT\$149.03 million in the current quarter compared with NT\$128.06 million in Q2 2023 mainly due to an increase in its revenue to NT\$651.82 million in Q2 2024 from NT\$600.36 million in Q2 2023. Despite the growth in 104 Corporation’s financial results during the quarter, the Group’s share of its profits decreased from RM4.00 million in Q2 2023 to RM3.79 million in the current quarter in view of the lower equity interest in 104 Corporation of 16.09% compared to 20.29% at the end of Q2 2023. Our other associate, Innity Corporation Berhad registered a higher net loss of RM3.25 million in the current quarter under review compared with RM1.50 million in Q2 2023 as a result of higher operating

costs and operating expenses. Despite the higher net loss, its revenue increased from RM27.61 million in Q2 2023 to RM28.03 million in Q2 2024.

The Group’s profit before tax (“PBT”) increased by 13.3% to RM16.19 million in Q2 2024 from RM14.29 million in Q2 2023 mainly attributable to the higher gains on disposal of shares as mentioned above, despite the decrease in share of profits from associates and foreign exchange losses (as compared with foreign exchange gains in Q2 2023). Excluding the gains on disposal of shares, adjusted PBT for Q2 2024, amounted to RM7.37 million, representing an increase of 4.6% from the adjusted PBT for Q2 2023 of RM7.04 million.

13. Comparison with previous quarter's results

	Q2 2024 <u>Current Quarter</u> RM’000	Q1 2024 <u>Preceding Quarter</u> RM’000
Revenue	4,598	1,561
Profit before tax	16,189	11,855

For the current quarter under review, the Group posted a higher revenue of RM4.60 million compared with RM1.56 million reported in the preceding quarter mainly due to the dividend income from Lion Rock Group Limited and other quoted investments amounting to RM2.54 million and RM0.82 million respectively in Q2 2024.

Apart from the higher revenue, the Group recorded a higher PBT in the current quarter mainly due to the higher gains on disposal of shares in an associate of RM9.49 million in Q2 2024 compared with RM8.03 million in Q1 2024 and higher share of profits from associates amounting to RM3.11 million compared with RM1.95 million in the preceding quarter. The increase in PBT as a result of these factors were partially offset by foreign exchange losses of RM0.15 million compared with foreign exchange gains of RM1.10 million in Q1 2024.

14. Prospects for the Year 2024

The Group’s future prospects will depend on the performance of its associated companies in Taiwan and Malaysia, equity 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.

Economic activity has shown resilience through early 2024, supported by robust private consumption in key economies. The International Monetary Fund (“IMF”) projected global growth at 3.2% in July 2024, consistent with its April 2024 forecast. However, the differing pace of economic activity at the start of the year has somewhat narrowed the output gap across economies as cyclical factors diminish and activity becomes better aligned with its potential. The momentum of global disinflation is slowing due to persistent services price inflation, complicating the normalisation of monetary policy.

Risks to the outlook remain balanced, but near-term risks have become more significant. These include upside risks to inflation stemming from slow progress on services disinflation and price pressures arising from renewed trade and geopolitical tensions. These risks could lead to higher-for-even-longer interest rates, which, in turn, increase external fiscal and financial risks. The possibility of significant changes in economic policy as a result of elections this year, adds further uncertainty.

15. Profit Forecast

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

16. Taxation

The taxation (credit)/charge for the current quarter includes the following:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2024 RM'000	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2023 RM'000
Estimated current tax payable	1,462	1,880	1,501	1,882
Deferred taxation	(2,135)	22	(1,857)	24
	<u>(673)</u>	<u>1,902</u>	<u>(356)</u>	<u>1,906</u>

17. Investments

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

	Individual Quarter Ended 30.6.2024	Cumulative Quarter Ended 30.6.2024
	RM'000	RM'000
Associate companies		
Share of results and changes in equity in associates and exchange differences	(10,692)	(11,337)
Sales proceeds	(15,465)	(28,406)
Gain on disposal of shares	9,493	17,521
	<u> </u>	<u> </u>
Long term:		
Purchase consideration	5,804	12,176
Sale proceeds	-	-
Changes in fair value	19,764	24,895
	<u> </u>	<u> </u>
Short term:		
Purchase consideration	18	1,137
Sale proceeds	(4,500)	(11,852)
Changes in fair value	210	566
	<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 30 June 2024 are summarized below:

At cost	231,739
At carrying value/book value	283,143 [^]
At market value	388,793
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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.

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Net profit attributable to owners of the Company (RM’000)	16,862	12,390	28,400	18,646
Weighted average number of shares in issue (‘000)	131,749	132,030	131,870	132,030
Basic earnings per share (sen)	12.80	9.38	21.54	14.12

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after (charging)/ crediting: -				
Interest income	889	229	1,644	455
Depreciation of property and equipment	(5)	(8)	(11)	(17)
Depreciation of right-of-use assets	(16)	(15)	(32)	(30)

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 on 27 August 2024.