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 2018.

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 2018 except for the mandatory adoption of the following accounting standards, amendments and interpretations of Malaysian Financial Reporting Standards ("MFRS") that have been issued by MASB effective for annual periods beginning on or after 1 January 2019:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123*, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

The adoption of the abovementioned standards, amendments and interpretations did not have any material impact to the current and prior periods financial statements of the Group and the Company except for MFRS 16 Leases as described below:

MFRS 16 Leases

The Group has adopted MFRS 16 which is applied retrospectively from 1 January 2019, where MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The right-of-use asset is depreciated in accordance with the principles in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in the profit or loss.

Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The adoption of MFRS 16 did not have any material financial impact to the Group.

2. Seasonality or Cyclicality 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

There were no 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 27 June 2019 approved the payment of final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2018 amounting to RM5.467 million. The dividend was subsequently paid on 25 July 2019.

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 30/6/2019
(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	25	586	-	611
Inter segment revenue	2	-	(2)	-
Dividends	2,434	-	-	2,434
Interest income	911	-	-	911
Investment distribution income	1,157	-	-	1,157
Revenue for the year	4,529	586	(2)	5,113
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	2,685	(50)	(3)	2,632
Interest income	-	63	-	63
Loss on financial assets classified as fair value through profit or loss	(4)	-	-	(4)
Gain on dilution of interest in an associate	16	-	-	16
Share of profit of equity-accounted associates	4,229	-	-	4,229
Profit before tax	6,926	13	(3)	6,936
Income tax expense	(1,181)	(4)	-	(1,185)
Profit for the year	5,745	9	(3)	5,751
Segment assets	350,191	877	(14,133)	336,935
Included in the measure of segment assets are:				
Investment in associates	114,207	-	-	114,207
Non-current assets other than financial instruments and deferred tax assets	19,752	-	-	19,752
Additions to non-current assets other than financial instruments and deferred tax assets	121	-	-	121
Other segment information				
Depreciation of property and equipment	48	-	-	48
Depreciation of right-of-use assets	9	-	-	9

Cumulative Quarter Ended 30/6/2018

	Investment holding RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Segment revenue				
Revenue from external customers	141	461	-	602
Inter-segment revenue	2	-	(2)	-
Dividends	2,054	-	-	2,054
Interest income	1,199	-	-	1,199
Investment distribution income	768	-	-	768
Revenue for the year	4,164	461	(2)	4,623
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	1,121	(33)	24	1,112
Loss on disposal of investment in a joint venture	(86)	-	-	(86)
Loss on financial assets classified as fair value through profit or loss	(32)	-	-	(32)
Gain on accretion in an associate	21	-	-	21
Share of profit of equity-accounted associates	4,253	-	-	4,253
Profit before tax	5,277	(33)	24	5,268
Income tax expense	(1,454)	(4)	-	(1,458)
Profit for the year	3,823	(37)	24	3,810
Segment assets	336,789	604	(14,069)	323,324
Included in the measure of segment assets are:				
Investment in associates	112,746	-	-	112,746
Non-current assets other than financial instruments and deferred tax assets	20,186	-	-	20,186
Additions to non-current assets other than financial instruments and deferred tax assets	65	-	-	65
Other segment information				
Depreciation of property and equipment	52	1	-	53

8. Subsequent Events

The Company's wholly-owned subsidiary, JcbNext Pte Ltd, had on 7 August 2019 acquired 20,700,000 new shares in Hastings Technology Metals Limited ("Hastings") at AUD0.17 per share for a total consideration of AUD3,519,000 (equivalent to RM10,141,758 based on the exchange rate as at 7 August 2019 of AUD1:RM2.882). Hastings is an Australian Securities Exchange (ASX)-listed exploration and development company that is currently concentrating its efforts on rare earths projects in Western Australia. The Group has an equity interest of 2.21% in Hastings on the date of investment. The Group's CEO, Mr Chang Mun Kee, has a direct equity interest of 6.29% and a deemed interest of 8.50% in Hastings.

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 22 August 2019 (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 30.6.2019 RM'000
Investment in unquoted shares	
Contracted but not provided for:	584
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12. Review of Performance for the Quarter

For the quarter ended 30 June 2019, consolidated revenue amounted to RM3.33 million, which is 5.8% higher than the revenue in the corresponding quarter in the preceding year of RM3.15 million. The increase was mainly due to higher investment distribution income from investments in money market unit trust funds.

On a pre-tax basis, the Group's profit before tax ("PBT") increased by 10.2% to RM5.55 million compared with RM5.03 million in the corresponding quarter in the previous year. Aside from the higher investment distribution income, the increase in PBT was also attributable to the higher share of profit from associates in Q2 2019. Our share of profit from equity accounted associates recorded a 5.5% increase to RM2.68 million from RM2.54 million in Q2 2018. Our associate, 104 Corporation, a leading provider of integrated human resource services in Taiwan, registered a net profit attributable to shareholders of NT$81.38 million, comparable with the net profit of NT$81.94 million in Q2 2018. The net profit in the current quarter was continued to be impacted by an increase in staff costs for enhancing the competitiveness of products and services by optimizing job matching and recommendation mechanism, upgrading websites and developing the next generation of HR management solution. For the current quarter under review, 104 Corporation reported revenue growth of 3.8% to NT$430.52 million from NT$414.95 million in Q2 2018, driven by growth of its online business. Our another associate, Innity Corporation Berhad recorded a higher net profit of RM0.86 million in Q2 2019 compared with RM0.19 million in the preceding year's corresponding quarter. Innity's revenue grew 40.1% from RM25.49 million in Q2 2018 to RM35.72 million in the current quarter.

13. Comparison with previous quarter's results

	Q2 2019 Current Quarter RM'000	Q1 2019 Preceding Quarter RM'000
Revenue	3,330	1,783
Profit before tax	5,545	1,391

For the current quarter under review, the Group posted a higher revenue of RM3.33 million compared with RM1.78 million recorded in the preceding quarter mainly due to dividends received from Lion Rock Group Limited amounting to RM1.97 million in Q2 2019.

Apart from the receipt of dividends from Lion Rock Group Limited, the increase in PBT in Q2 2019 was due to higher share of profit from associates amounting to RM2.68 million compared with RM1.55 million in Q1 2019 and foreign exchange gains of RM0.92 million compared with foreign exchanges losses of RM0.49 million in the previous quarter.

14. Prospects for the Year 2019

Pending the acquisition 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 investment in Hong Kong, foreign exchange rates and operating activities in Malaysia and Japan. The Group will derive income primarily from the provision of consultancy services and dividend income from its quoted investments. 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.

Uncertain economic conditions may however affect the short-term profit performance of the Group's associated companies and investments. We have seen this in 2018 with lower profits from our associated companies. Additionally, the acquisition of suitable new businesses and/or assets will take time. The tenants for Wisma JcbNext have moved out at the end of their tenancy since 31 January 2018 and this has negatively impacted the Group's revenue in 2018. The Group has, on 26 February 2019 signed an agreement with a tenant who will take up a majority of the space in Wisma JcbNext beginning 1 September 2019.

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:

	Individual Quarter Ended		**Cumulative Quarter Ended**	
	30.6.2019 RM'000	**30.6.2018 RM'000**	**30.6.2019 RM'000**	**30.6.2018 RM'000**
Estimated current tax payable	1,129	1,313	1,178	1,357
Deferred taxation	36	95	7	101
	1,165	1,408	1,185	1,458

17. Investments

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

	Individual Quarter Ended 30.6.2019 RM'000	Cumulative Quarter Ended 30.6.2019 RM'000
Associate companies		
Share of results and changes in equity in associates and exchange differences	(4,883)	(5,763)
Long term:		
Purchase consideration	239	239
Sale proceeds	(1,652)	(10,667)
Changes in fair value	(3,355)	2,547
Gain on disposal	427	1,412
Exchange differences	3	-
Short term:		
Purchase consideration	8,205	39,780
Sale proceeds	(1,650)	(34,272)
Changes in fair value	9	(4)

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 2019 are summarized below:

	RM'000
At cost	178,341
At carrying value/book value	231,594^
At market value	303,257

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	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
Net profit attributable to owners of the Company (RM'000)	4,373	3,618	5,732	3,794
Weighted average number of shares in issue ('000)	136,902	139,290	137,163	139,358
Basic earnings per share (sen)	3.19	2.60	4.18	2.72

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	
	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000
Profit for the period is arrived at after (charging)/ crediting: -				
Interest income	523	634	974	1,199
Depreciation of property and equipment	(21)	(27)	(48)	(53)
Depreciation of right-of-use assets	(9)	-	(9)	-
Reversal of impairment on trade receivables	-	-	1	-
Loss on disposal of investment in a joint venture	-	(86)	-	(86)

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 29 August 2019.