

## **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 2021.

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 2021 except for the mandatory adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”) that have been issued by MASB.

#### **Amendments effective for annual periods beginning on or after 1 April 2021**

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

#### **Amendments effective for annual periods beginning on or after 1 January 2022**

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

The Group and the Company do not plan to apply MFRS 1 and MFRS 141 that are effective for annual periods beginning on or after 1 January 2022 as it is not applicable to the Group and the Company.

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**

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 31/03/2022**  
**(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	306	91	-	397
Inter segment revenue	1	-	(1)	-
Dividends	186	-	-	186
Interest income	165	-	-	165
Investment distribution income	4	-	-	4
Revenue for the year	<u>662</u>	<u>91</u>	<u>(1)</u>	<u>752</u>
<b>Segment profit/(loss)</b>				
Operating profit/(loss) for reportable segments	(203)	(57)	63	(197)
Interest expense	(2)	-	-	(2)
Gain on disposal of investment in an associate	1,971	-	-	1,971
Gain on financial assets classified as fair value through profit or loss	115	-	-	115
Share of profit of equity-accounted associates	<u>4,197</u>	<u>-</u>	<u>-</u>	<u>4,197</u>
<b>Profit before tax</b>	<u>6,078</u>	<u>(57)</u>	<u>63</u>	<u>6,084</u>
Income tax expense	(72)	(2)	-	(74)
<b>Profit for the year</b>	<u>6,006</u>	<u>(59)</u>	<u>63</u>	<u>6,010</u>
<b>Segment assets</b>	<u>431,467</u>	<u>345</u>	<u>(77,019)</u>	<u>354,793</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	132,995	-	-	132,995
Non-current assets other than financial instruments and deferred tax assets	18,469	-	-	18,469
<b>Other segment information</b>				
Depreciation of property and equipment	10	-	-	10
Depreciation of right-of-use assets	15	-	-	15

**Cumulative Quarter Ended 31/03/2021**

	<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	305	77	-	382
Inter segment revenue	1	-	(1)	-
Dividends	24	-	-	24
Interest income	188	-	-	188
Investment distribution income	185	-	-	185
Revenue for the year	<u>703</u>	<u>77</u>	<u>(1)</u>	<u>779</u>
<b>Segment profit/(loss)</b>				
Operating profit/(loss) for reportable segments	627	(78)	(109)	440
Interest expense	(2)	-	-	(2)
Loss on financial assets classified as fair value through profit or loss	(3)	-	-	(3)
Gain on changes of interest in associates	13	-	-	13
Share of profit of equity-accounted associates	<u>3,459</u>	<u>-</u>	<u>-</u>	<u>3,459</u>
<b>Profit before tax</b>	<b>4,094</b>	<b>(78)</b>	<b>(109)</b>	<b>3,907</b>
Income tax expense	9	(5)	-	4
<b>Profit for the year</b>	<u><b>4,103</b></u>	<u><b>(83)</b></u>	<u><b>(109)</b></u>	<u><b>3,911</b></u>
<b>Segment assets</b>	<u><b>366,977</b></u>	<u><b>352</b></u>	<u><b>(32,526)</b></u>	<u><b>334,803</b></u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	130,816	-	-	130,816
Non-current assets other than financial instruments and deferred tax assets	18,499	46	-	18,545
<b>Other segment information</b>				
Depreciation of property and equipment	12	-	-	12
Depreciation of right-of-use assets	14	15	-	29

**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 18 May 2022 (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 31.3.2022 RM'000</b>
<b>Investment in unquoted shares</b>	
Contracted but not provided for:	328
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**12. Review of Performance for the Quarter**

For the quarter ended 31 March 2022, consolidated revenue amounted to RM0.75 million, which is 3.5% lower than the revenue in the corresponding quarter in the preceding year of RM0.78 million. The decrease was mainly due to lower investment distribution income from investments in money market unit trust funds.

The Group reported lower foreign exchange gains of RM0.32 million in the current quarter compared with RM0.90 million in Q1 2021. In the corresponding quarter of 2021, the foreign exchange gains consisted mainly of unrealised foreign exchange gains on the Group's US and Singapore dollar denominated bank deposits.

The Group's profit before tax (“PBT”) increased by 55.7% from RM3.91 million in Q1 2021 to RM6.08 million in the current quarter mainly attributable to the gain on disposal of shares amounting to RM1.97 million and higher share of profit from associates of RM4.20 million. During the quarter under review, the Company had disposed a very small portion of its shares in an associate, 104 Corporation, in the open market and in the process, the Group recorded gains on disposal of the said shares amounting to RM1.97 million. Following the disposals, the Company continued to hold 22.27% equity interest in 104 Corporation as at 31 March 2022.

Our share of profit from equity accounted associates increased by 21.3% year-over-year to RM4.20 million from RM3.46 million in Q1 2021. Our associate, 104 Corporation, a leading provider of integrated human resource services in Taiwan, posted a higher net profit attributable to shareholders of NT\$122.78 million in Q1 2022 compared with NT\$104.0 million in the corresponding quarter in the preceding year due to its strong revenue growth of 18.8% from NT\$437.90 million in Q1 2021 to NT\$520.27 million in the current quarter contributed by its job posting business. Our other associate, Innity Corporation Berhad registered a net profit of RM0.24 million in the current quarter under review compared with a net loss of RM0.07 million in Q1 2021 on the back of an increase in revenue from RM25.87 million in Q1 2021 to RM32.71 million in Q1 2022.

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

	Q1 2022 <u>Current Quarter</u> RM'000	Q4 2021 <u>Preceding Quarter</u> RM'000
Revenue	752	898
Profit before tax	6,084	5,087

For the current quarter under review, the Group posted a lower revenue of RM0.75 million compared with RM0.90 million reported in the preceding quarter mainly due to lower investment distribution income from investments in money market unit trust funds.

Despite the lower revenue, the Group recorded higher PBT in the current quarter due to the higher share of profit from associates of RM4.20 million compared with RM3.59 million in Q4 2021 and the higher gain on disposal of shares in Q1 2022 amounting to RM1.97 million compared with RM1.59 million in the preceding quarter.

**14. Prospects for the Year 2022**

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 and Japan. The Group will derive income primarily from the provision of consultancy services, 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.

Global economic prospects have been severely set back, largely because of Russia’s invasion of Ukraine. This crisis unfolded even as the global economy has not yet fully recovered from the COVID-19 pandemic. Even before the war, inflation in many countries had been rising due to supply-demand imbalances and policy support during the pandemic, prompting a tightening of monetary policy. The latest lockdowns in China could cause new bottlenecks in global supply chains. Beyond the immediate humanitarian impacts, the war will slow economic growth and increase inflation. The International Monetary Fund (“IMF”) has downgraded its 2022 global growth forecast to 3.6% in April 2022 from 4.4% in January 2022. The downgrade largely reflects the war’s direct impacts on Russia and Ukraine and global spill overs. Overall economic risks have risen sharply, and policy trade-offs have become even more challenging.

The war adds to the series of supply shocks that have struck the global economy in recent years. Its effects will propagate far and wide through commodity markets, trade, and financial linkages. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. There is a rising risk that inflation expectations become de-anchored, prompting a more aggressive tightening response from policymakers. Withdrawal of extraordinary fiscal support was expected to continue. The surge in commodity prices and the increase in global interest rates will further reduce fiscal space. The war also increases the risk of a more permanent fragmentation of the world economy into geopolitical blocks with distinct technology standards, cross-border payment systems, and reserve currencies. Such a tectonic shift would entail high adjustment costs and long-run efficiency losses as supply chains and production networks are reconfigured.

**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 and Cumulative Quarter Ended</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
	<b>RM’000</b>	<b>RM’000</b>
Estimated current tax payable	76	5
Deferred taxation	(2)	(9)
	74	(4)
	74	(4)

**17. Investments**

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

	<b>Individual and Cumulative Quarter Ended 31.3.2022 RM’000</b>
Associate companies	
Share of results and changes in equity in associates and exchange differences	652
Sales proceeds	(3,556)
Gain on disposal of shares	1,971
	-
Long term:	
Purchase consideration	11,991
Sale proceeds	(266)
Changes in fair value	5,526
	-
Short term:	
Purchase consideration	35,004
Sale proceeds	(1,504)
Changes in fair value	115
	-

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 March 2022 are summarized below:

	<b>RM’000</b>
At cost	220,210
At carrying value/book value	289,310 <sup>^</sup>
At market value	378,337

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

<sup>^</sup> 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. Borrowings**

The Group’s borrowings as at 31 March 2022 are as follows:

	<b>As at 31.3.2022 RM’000</b>	<b>As at 31.12.2021 RM’000</b>
<b>Non-current</b>		
Term loan - unsecured	172	182
<b>Current</b>		
Term loan - unsecured	-	-
Total	<u>172</u>	<u>182</u>

The borrowings are denominated in Japanese Yen.

## **20. 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.

## **21. 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.



**22. 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 and Cumulative Quarter Ended</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
Net profit attributable to owners of the Company (RM’000)	6,019	3,930
Weighted average number of shares in issue (‘000)	132,030	133,488
Basic earnings per share (sen)	4.56	2.94

**Fully diluted earnings per share**

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

**23. Profit for the Period**

	<b>Individual Quarter Ended</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>
	<b>RM’000</b>	<b>RM’000</b>
Profit for the period is arrived at after (charging)/ crediting:-		
Interest income	163	186
Depreciation of property and equipment	(10)	(12)
Depreciation of right-of-use assets	(15)	(29)

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.

**24. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 25 May 2022.