

## **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**

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- 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 Group and the Company do not plan to apply MFRS 17 and amendments to MFRS 17 that are effective for annual periods beginning on or after 1 January 2023 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**

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**

The shareholders of the Company had on 20 June 2023 approved the payment of a final single tier dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM7.922 million. The dividend was subsequently paid on 25 July 2023.

**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 30/06/2023**  
**(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	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>
<b>Segment profit/(loss)</b>				
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
<b>Profit before tax</b>	<u>20,859</u>	<u>(82)</u>	<u>(229)</u>	<u>20,548</u>
Income tax expense	(1,903)	(3)	-	(1,906)
<b>Profit for the year</b>	<u>18,956</u>	<u>(85)</u>	<u>(229)</u>	<u>18,642</u>
<b>Segment assets</b>	<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
<b>Other segment information</b>				
Depreciation of property and equipment	17	-	-	17
Depreciation of right-of-use assets	30	-	-	30

**Cumulative Quarter Ended 30/06/2022**

	<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	611	183	-	794
Inter segment revenue	2	-	(2)	-
Dividends	3,190	-	-	3,190
Interest income	299	-	-	299
Investment distribution income	9	-	-	9
Revenue for the year	<u>4,111</u>	<u>183</u>	<u>(2)</u>	<u>4,292</u>
<b>Segment profit/(loss)</b>				
Operating profit/(loss) for reportable segments	3,076	(68)	(429)	2,579
Interest expense	(4)	-	-	(4)
Gain on disposal of investment in an associate	3,003	-	-	3,003
Gain on financial assets classified as fair value through profit or loss	248	-	-	248
Share of profit of equity-accounted associates	<u>8,642</u>	<u>-</u>	<u>-</u>	<u>8,642</u>
<b>Profit before tax</b>	<b>14,965</b>	<b>(68)</b>	<b>(429)</b>	<b>14,468</b>
Income tax expense	(1,711)	(4)	-	(1,715)
<b>Profit for the year</b>	<u><b>13,254</b></u>	<u><b>(72)</b></u>	<u><b>(429)</b></u>	<u><b>12,753</b></u>
<b>Segment assets</b>	<u><b>452,122</b></u>	<u><b>365</b></u>	<u><b>(96,560)</b></u>	<u><b>355,927</b></u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	125,602	-	-	125,602
Non-current assets other than financial instruments and deferred tax assets	18,457	-	-	18,457
Additions to non-current assets other than financial instruments and deferred tax assets	12	-	-	12
<b>Other segment information</b>				
Depreciation of property and equipment	20	-	-	20
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**

On 30 June 2023, the Company had disposed 60% equity interest in a subsidiary, Greenfield Japan Kabushiki Kaisha (“GJKK”), a company incorporated in Japan that is engaged in the business of search and selection, staffing and career consultancy services. Following the disposal, GJKK ceased to be a subsidiary of the Group.

Save as disclosed above, there were no other 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 August 2023 (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 30.06.2023 RM’000</b>
<b>Investment in unquoted shares</b>	
Contracted but not provided for:	308
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**12. Review of Performance for the Quarter**

For the quarter ended 30 June 2023, consolidated revenue amounted to RM4.43 million, which was 25.2% higher than the revenue in the corresponding quarter in the preceding year of RM3.54 million. The increase was mainly due to the higher dividend income from Lion Rock Group Limited in Q2 2023.

The Group posted higher foreign exchange gains of RM1.27 million in the current quarter compared with RM0.37 million in Q2 2022. The foreign exchange gains consisted mainly of unrealised foreign exchange gains on the Group’s US Dollar and Singapore dollar denominated bank deposits as the Ringgit weakened from USD1:RM4.414 and SGD1:RM3.3235 at the end of March 2023 to USD1:RM4.6585 and SGD1:RM3.4385 respectively at the end of June 2023. In the corresponding quarter of 2022, the foreign exchange gains consisted mainly of realised foreign exchange gains on the cash injection to a subsidiary and settlement of share purchases.

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 RM5.35 million, an increase of 418.1% compared with RM1.03 million in the corresponding quarter of 2022. Following the disposals, the Company continued to hold 20.29% equity interest in 104 Corporation as at 30 June 2023.

Our share of profit from equity accounted associates decreased by 17.0% year-on-year to RM3.69 million from RM4.45 million in Q2 2022. 104 Corporation, a leading provider of integrated human resource services in Taiwan, posted an increase in its revenue to NT\$600.36 million in Q2 2023 from NT\$552.23 million in Q2 2022. Despite the higher revenue, its net profit attributable to shareholders for Q2 2023 had decreased to NT\$128.06 million compared with NT\$133.53 million in Q2 2022 as a result of higher operating costs and operating expenses. Our other associate, Innity

Corporation Berhad registered a net loss of RM1.50 million in the current quarter under review compared with a net profit of RM0.07 million in Q2 2022 on the back of a decrease in revenue from RM32.74 million in Q2 2022 to RM27.61 million in Q2 2023.

The Group’s profit before tax (“PBT”) increased by 70.4% to RM14.29 million in Q2 2023 from RM8.38 million in Q2 2022 mainly attributable to the higher revenue, foreign exchange gains and gains on disposal of shares as mentioned above.

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

	Q2 2023 <u>Current Quarter</u> RM’000	Q1 2023 <u>Preceding Quarter</u> RM’000
Revenue	4,434	900
Profit before tax	14,290	6,258

For the current quarter under review, the Group recorded a higher revenue of RM4.43 million compared with RM0.90 million reported in the preceding quarter mainly due to the dividend income from Lion Rock Group Limited and other quoted investments amounting to RM3.11 million and RM0.64 million respectively in Q2 2023.

Apart from the higher revenue, the Group reported a higher PBT in the current quarter mainly due to the higher gains on disposal of shares in an associate amounting to RM5.35 million compared with RM3.78 million in Q1 2023, higher share of profit from associates of RM3.69 million compared with RM2.57 million in the previous quarter and higher foreign exchange gains of RM1.27 million compared with RM0.03 million in Q1 2023.

### **14. Prospects for the Year 2023**

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 recovery from the COVID-19 pandemic and Russia’s invasion of Ukraine is slowing amid widening divergences among economic sectors and regions. Supply chains have largely recovered, and shipping costs and suppliers’ delivery times are back to pre-pandemic levels. The International Monetary Fund’s (“IMF”) has revised upwards its 2023 global growth forecast to 3.0% in July 2023 from 2.8% in April 2023. However, the forces that limited growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. The rise in central bank policy rates to fight inflation continues to weigh on economic activity.

The recent resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt and the strong action by authorities to contain turbulence in the US and Swiss banking sectors succeeded in reducing the risk of an immediate and broader crisis. However, the balance of risks to global growth remains tilted downward. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China’s recovery could slow, in part as a result of unresolved real estate problems, with negative cross-

border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

**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>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Estimated current tax payable	1,880	1,546	1,882	1,623
Deferred taxation	22	95	24	92
	<u>1,902</u>	<u>1,641</u>	<u>1,906</u>	<u>1,715</u>

**17. Investments**

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

	<b>Individual Quarter Ended 30.6.2023</b>	<b>Cumulative Quarter Ended 30.6.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Associate companies		
Share of results and changes in equity in associates and exchange differences	(7,523)	(4,186)
Sales proceeds	(8,234)	(14,719)
Gain on disposal of shares	5,348	9,125
	<u>                    </u>	<u>                    </u>
Long term:		
Purchase consideration	290	577
Sale proceeds	(206)	(206)
Changes in fair value	(2,644)	2,738
	<u>                    </u>	<u>                    </u>
Short term:		
Purchase consideration	-	25,964
Sale proceeds	(510)	(910)
Changes in fair value	445	700
	<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 2023 are summarized below:

	<b>RM’000</b>
At cost	259,178
At carrying value/book value	304,301 <sup>^</sup>
At market value	414,682

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. 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>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</b>
Net profit attributable to owners of the Company (RM’000)	12,390	6,734	18,646	12,753
Weighted average number of shares in issue (‘000)	132,030	132,030	132,030	132,030
Basic earnings per share (sen)	9.38	5.10	14.12	9.66

### **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>30.6.2023</b>	<b>30.6.2022</b>	<b>30.6.2023</b>	<b>30.6.2022</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	229	132	455	295
Depreciation of property and equipment	(8)	(10)	(17)	(20)
Depreciation of right-of-use assets	(15)	(15)	(30)	(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.