

## **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 following amendments to MFRSs which were adopted at the beginning of the current financial year.

#### **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 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

The following are accounting standards and amendments to MFRS that have been issued by MASB but have not been adopted by the Group and the Company.

#### **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

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

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

**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 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024, except for amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback which is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards and amendments are not expected to have any material financial impacts 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**

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 31/12/2022**  
**(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	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)	(12,576)	5,462
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>(12,264)</u>	<u>25,600</u>
Income tax expense	(2,019)	(6)	-	(2,025)
<b>Profit for the year</b>	<u>35,981</u>	<u>(142)</u>	<u>(12,264)</u>	<u>23,575</u>
<b>Segment assets</b>	<u>453,977</u>	<u>372</u>	<u>(103,311)</u>	<u>351,038</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	125,588	-	-	125,588
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

**Cumulative Quarter Ended 31/12/2021**

	<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	1,223	316	-	1,539
Inter segment revenue	4	-	(4)	-
Dividends	12,370	-	(8,909)	3,461
Interest income	751	-	-	751
Investment distribution income	603	-	-	603
Revenue for the year	<u>14,951</u>	<u>316</u>	<u>(8,913)</u>	<u>6,354</u>
<b>Segment profit/(loss)</b>				
Operating profit/(loss) for reportable segments	12,659	(271)	(9,009)	3,379
Interest expense	(8)	(1)	-	(9)
Gain on disposal of investment in an associate	1,589	-	-	1,589
Loss on financial assets classified as fair value through profit or loss	(2)	-	-	(2)
Gain on changes of interest in an associate	13	-	-	13
Impairment loss on amount due from subsidiaries	(257)	-	257	-
Share of profit of equity-accounted associates	13,310	-	-	13,310
<b>Profit before tax</b>	<u>27,304</u>	<u>(272)</u>	<u>(8,752)</u>	<u>18,280</u>
Income tax expense	(1,529)	(12)	-	(1,541)
<b>Profit for the year</b>	<u>25,775</u>	<u>(284)</u>	<u>(8,752)</u>	<u>16,739</u>
<b>Segment assets</b>	<u>413,444</u>	<u>391</u>	<u>(67,052)</u>	<u>346,783</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	133,928	-	-	133,928
Non-current assets other than financial instruments and deferred tax assets	18,494	-	-	18,494
Additions to non-current assets other than financial instruments and deferred tax assets	73	-	-	73
<b>Other segment information</b>				
Depreciation of property and equipment	46	-	-	46
Depreciation of right-of-use assets	57	61	-	118

**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 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 31.12.2022 RM'000</b>
<b>Investment in unquoted shares</b>	
Contracted but not provided for:	291
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**12. Review of Performance for the Quarter**

For the quarter ended 31 December 2022, consolidated revenue amounted to RM1.10 million, which was 23.0% higher than the revenue in the corresponding quarter in the preceding year of RM0.90 million. The increase was mainly due to higher dividend income from quoted investments, in part due to a larger portfolio of investments at the end of the quarter this year compared with the portfolio at the end of Q4 2021.

The Group recorded foreign exchange losses of RM0.25 million in the current quarter compared with foreign exchange gains of RM0.16 million in Q4 2021. The foreign exchange losses consisted mainly of unrealised foreign exchange losses on the Group's US Dollar and Hong Kong Dollar denominated bank deposits as the Ringgit strengthened from USD1:RM4.635 and HKD1:RM0.5907 at the end of September 2022 to USD1:RM4.398 and HKD1:RM0.5661 respectively at the end of December 2022. In Q4 2021, the foreign exchange gains consisted mainly of realised forex exchange gains from the utilisation of Hong Kong Dollars as well as the conversion of the proceeds from the disposal of 104 Corporation shares into Hong Kong and Singapore Dollars.

The Group's profit before tax ("PBT") decreased by 46.2% to RM2.74 million in Q4 2022 from RM5.09 million in Q4 2021 mainly attributable to the lower gain on disposal of shares in an associate amounting to RM0.87 million compared with RM1.59 million in the corresponding quarter in the preceding year, lower share of profit from associates of RM2.24 million during the quarter compared with RM3.59 million in Q4 2021 as well as foreign exchange losses as mentioned above. 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 RM0.87 million. Following the disposals, the Company continued to hold 21.74% equity interest in 104 Corporation as at 31 December 2022.

Our share of profit from equity accounted associates decreased by 37.5% year-over-year to RM2.24 million from RM3.59 million in Q4 2021. 104 Corporation, a leading provider of integrated human resource services in Taiwan, reported a lower net profit of NT\$68.20 million in

the current quarter compared with NT\$92.61 million in Q4 2021. Despite the lower net profit, revenue grew 5.7% from NT\$496.72 million in Q4 2021 to NT\$525.22 million in Q4 2022. Our other associate, Innity Corporation Berhad posted a net profit of RM0.41 million in the current quarter under review compared with a net profit of RM1.83 million in Q4 2021 on the back of a decrease in revenue from RM34.68 million in Q4 2021 to RM27.25 million in Q4 2022.

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

	Q4 2022 <u>Current Quarter</u> RM'000	Q3 2022 <u>Preceding Quarter</u> RM'000
Revenue	1,104	4,135
Profit before tax	2,739	8,393

For the current quarter under review, the Group posted a lower revenue of RM1.10 million compared with RM4.14 million reported in the preceding quarter mainly due to lower dividend income from quoted investments in Q4 2022.

Apart from the lower revenue, the lower PBT in the current quarter was due to foreign exchange losses of RM0.25 million compared with foreign exchange gains of RM0.58 million in Q3 2022, lower gain on disposal of shares in an associate amounting to RM0.87 million compared with RM1.16 million in the previous quarter and the decrease in the share of profit from associates to RM2.24 million from RM3.77 million in Q3 2022.

### **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 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.

The global economy is poised to slow in 2023 before rebounding in 2024. The global fight against inflation, Russia's war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. The International Monetary Fund's ("IMF") projected the global growth to slow from 3.4% in 2022 to 2.9% in 2023. Global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023. The global economy has shown a lot of resilience. Labour markets are tight, household spending and business investment remain strong, and European economies proved quite resilient against the energy crisis.

Despite the fact that adverse risks have moderated since October 2022, the risks are still skewed to the downside. On the upside, strong household balance sheets amid tight labour markets and robust wage growth could help sustain private demand. Easing of remaining supply bottlenecks, coupled with easing labour market pressures, could also allow for a soft landing with less monetary tightening. On the downside, severe health outcomes in China could hold back the recovery, Russia's war in Ukraine could escalate, and tighter global financing costs could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

**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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	77	79	2,042	1,550
Deferred taxation	(60)	(52)	(17)	(9)
	<u>17</u>	<u>27</u>	<u>2,025</u>	<u>1,541</u>

**17. Investments**

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

	Individual Quarter Ended 31.12.2022	Cumulative Quarter Ended 31.12.2022
	RM'000	RM'000
Associate companies		
Share of results and changes in equity in associates and exchange differences	(476)	(4,704)
Sales proceeds	(1,488)	(8,669)
Gain on disposal of shares	867	5,033
	<u>                    </u>	<u>                    </u>
Long term:		
Purchase consideration	4,951	40,075
Sale proceeds	-	(266)
Changes in fair value	6,918	(7,773)
	<u>                    </u>	<u>                    </u>
Short term:		
Purchase consideration	-	43,040
Sale proceeds	(500)	(21,119)
Changes in fair value	160	464
	<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 2022 are summarized below:



	<b>RM’000</b>
At cost	233,779
At carrying value/book value	285,459 <sup>^</sup>
At market value	383,226

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 December 2022 are as follows:

	<b>As at 31.12.2022 RM’000</b>
<b>Non-current</b>	
Term loan - unsecured	159
<b>Current</b>	
Term loan - unsecured	8
<b>Total</b>	<u><u>167</u></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.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net profit attributable to owners of the Company (RM’000)	2,722	5,075	23,574	16,797
Weighted average number of shares in issue (‘000)	132,030	132,075	132,030	132,484
Basic earnings per share (sen)	2.06	3.84	17.85	12.68

### 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

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2022 RM’000	31.12.2021 RM’000	31.12.2022 RM’000	31.12.2021 RM’000
Profit for the period is arrived at after (charging)/ crediting: -				
Interest income	186	159	660	742
Depreciation of property and equipment	(11)	(12)	(42)	(46)
Depreciation of right-of-use assets	(15)	(29)	(59)	(118)

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.