

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 275,900 of its issued ordinary shares (“JcbNext Shares”) at an average buy-back price of approximately RM1.64 per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the quarter under review was RM452,779. 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 September 2024, the Company held 569,900 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 30/09/2024
(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	988	-	-	988
Inter segment revenue	3	-	(3)	-
Dividends	17,977	-	(9,861)	8,116
Interest income	2,567	-	(20)	2,547
Investment distribution income	64	-	-	64
Revenue for the year	<u>21,599</u>	<u>-</u>	<u>(9,884)</u>	<u>11,715</u>
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	9,622	(118)	(9,277)	227
Interest expense	(27)	-	20	(7)
Gain on disposal of investment in an associate	26,910	-	-	26,910
Gain on financial assets classified as fair value through profit or loss	712	-	-	712
Share of profit of equity-accounted associates	7,609	-	-	7,609
Profit before tax	<u>44,826</u>	<u>(118)</u>	<u>(9,257)</u>	<u>35,451</u>
Income tax expense	(286)	-	-	(286)
Profit for the year	<u>44,540</u>	<u>(118)</u>	<u>(9,257)</u>	<u>35,165</u>
Segment assets	<u>514,709</u>	<u>126</u>	<u>(117,937)</u>	<u>396,898</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	79,341	-	-	79,341
Non-current assets other than financial instruments and deferred tax assets	18,147	-	-	18,147
Additions to non-current assets other than financial instruments and deferred tax assets	136	-	-	136
Other segment information				
Depreciation of property and equipment	17	-	-	17
Depreciation of right-of-use assets	47	-	-	47

Cumulative Quarter Ended 30/09/2023
(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	1,005	201	-	1,206
Inter segment revenue	3	-	(3)	-
Dividends	20,401	-	(12,900)	7,501
Interest income	923	-	-	923
Revenue for the year	<u>22,332</u>	<u>201</u>	<u>(12,903)</u>	<u>9,630</u>
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	21,156	(118)	(13,155)	7,883
Interest expense	(8)	-	-	(8)
Changes in fair value of investment properties	412	-	-	412
Gain on disposal of a subsidiary	88	-	-	88
Gain on disposal of investment in an associate	12,793	-	-	12,793
Gain on financial assets classified as fair value through profit or loss	1,070	-	-	1,070
Share of profit of equity-accounted associates	10,415	-	-	10,415
Profit before tax	<u>45,926</u>	<u>(118)</u>	<u>(13,155)</u>	<u>32,653</u>
Income tax expense	(5,393)	(3)	-	(5,396)
Profit for the year	<u>40,533</u>	<u>(121)</u>	<u>(13,155)</u>	<u>27,257</u>
Segment assets	<u>471,493</u>	<u>157</u>	<u>(103,698)</u>	<u>367,952</u>
<i>Included in the measure of segment assets are:</i>				
Investment in associates	113,920	-	-	113,920
Non-current assets other than financial instruments and deferred tax assets	18,905	-	-	18,905
Other segment information				
Depreciation of property and equipment	23	-	-	23
Depreciation of right-of-use assets	46	-	-	46

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 November 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 30.09.2024 RM'000
Investment in unquoted shares	
Contracted but not provided for:	273 =====

12. Review of Performance for the Quarter

For the quarter ended 30 September 2024, consolidated revenue amounted to RM5.56 million, which was 29.3% higher than the revenue in the corresponding quarter in the preceding year of RM4.30 million. The increase was mainly due to the higher dividend income from Lion Rock Group Limited and other quoted investments as well as higher interest income from the Group’s bank deposits.

The Group posted foreign exchange losses of RM8.99 million in the current quarter compared with foreign exchange gains of RM0.46 million in Q3 2023. The foreign exchange losses consisted primarily of unrealised foreign exchange losses on the Group’s US Dollar, Singapore Dollar and Hong Kong Dollar denominated bank deposits as the Ringgit strengthened from USD1:RM4.7175, SGD1:RM3.478 and HKD1:RM0.6043 at the end of June 2024 to USD1:RM4.125, SGD1:RM3.2215 and HKD1:RM0.5313 respectively at the end of September 2024. In the corresponding quarter of 2023, the foreign exchange gains consisted mainly of unrealised foreign exchange gains on the Group’s US 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 RM9.39 million, an increase of 156.0% compared with gains of RM3.67 million recorded in Q3 2023. Following the disposals, the Company continued to hold 14.66% equity interest in 104 Corporation as at 30 September 2024.

Our share of profit from equity accounted associates decreased by 38.6% year-over-year to RM2.56 million in Q3 2024 from RM4.16 million in the corresponding quarter of 2023. 104 Corporation, a leading provider of integrated human resource services in Taiwan, posted a marginally higher net profit attributed to shareholders of NT\$150.72 million in the current quarter compared with NT\$150.54 million in Q3 2023. Its revenue increased to NT\$665.05 million in Q3 2024 from NT\$628.78 million in Q3 2023. Despite 104 Corporation’s financial results remaining relatively strong during the quarter, the Group’s share of its profits decreased from RM4.43 million in Q3 2023 to RM3.28 million in the current quarter in view of the lower equity interest in 104 Corporation of 14.66% compared to 19.58% at the end of Q3 2023. Our other associate, Innity

Corporation Berhad registered a higher net loss of RM3.43 million in the current quarter under review compared with RM1.27 million in Q3 2023 on the back of a decrease in revenue from RM28.31 million in Q3 2023 to RM27.77 million in Q3 2024 and higher operating costs and operating expenses in the current quarter.

The Group’s profit before tax (“PBT”) decreased by 38.8% to RM7.41 million in Q3 2024 from RM12.11 million in Q3 2023 mainly attributable to the foreign exchange losses and lower share of profits from associates mentioned above, despite the increase in gains on disposal of shares in 104 Corporation. Excluding the gains on disposal of shares, the adjusted PBT for Q3 2024 amounted to a loss of RM1.98 million compared with the adjusted PBT for Q3 2023 of RM8.44 million.

13. Comparison with previous quarter's results

	Q3 2024 <u>Current Quarter</u> RM'000	Q2 2024 <u>Preceding Quarter</u> RM'000
Revenue	5,556	4,598
Profit before tax	7,407	16,189

For the current quarter under review, the Group reported a higher revenue of RM5.56 million compared with RM4.60 million reported in the preceding quarter mainly due to the higher dividend income from other quoted investments.

Despite the higher revenue, the Group recorded a lower PBT in the current quarter mainly due to the higher foreign exchange losses of RM8.99 million compared with RM0.15 million in Q2 2024 and lower share of profits from associates amounting to RM2.56 million compared with RM3.11 million in the preceding quarter.

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.

Global growth is expected to remain stable yet underwhelming. The International Monetary Fund (“IMF”) projected global growth at 3.2% in October 2024, consistent with its July 2024 forecast. The global fight against inflation has largely been successful, although price pressures continue in some countries. As global disinflation continues, services price inflation remains elevated in many regions.

Risks to the global outlook are tilted to the downside amid high policy uncertainty. Sudden financial market volatility could tighten financial conditions and weigh on investment and growth, especially in developing countries with significant external financing needs. Disruptions to the disinflation process, driven by rising commodity prices amid geopolitical tensions, may prevent central banks from easing monetary policy, posing significant challenges to both fiscal policy and financial stability. A deeper contraction in China’s property sector could weaken consumer sentiment and cause negative global spillovers. An intensification of protectionist policies could heighten trade tensions, reduce market efficiency, and disrupt supply chains. Rising social tensions could prompt social unrest, hurting consumer and investor confidence and potentially delaying necessary structural reforms.

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	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM’000	RM’000	RM’000	RM’000
Estimated current tax payable	215	166	1,716	2,048
Deferred taxation	427	3,324	(1,430)	3,348
	<u>642</u>	<u>3,490</u>	<u>286</u>	<u>5,396</u>

17. Investments

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

	Individual Quarter Ended 30.9.2024	Cumulative Quarter Ended 30.9.2024
	RM’000	RM’000
Associate companies		
Share of results and changes in equity in associates and exchange differences	(6,936)	(18,273)
Sales proceeds	(15,117)	(43,523)
Gain on disposal of shares	9,389	26,910
	<u> </u>	<u> </u>
Long term:		
Purchase consideration	26,418	38,594
Sale proceeds	(1,772)	(1,772)
Changes in fair value	(7,061)	17,834
	<u> </u>	<u> </u>
Short term:		
Purchase consideration	4,222	5,359
Sale proceeds	(12,349)	(24,201)
Changes in fair value	146	712
	<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 September 2024 are summarized below:

At cost	RM’000
At carrying value/book value	245,046
At market value	280,084 [^]
	<u>354,338</u>

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	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Net profit attributable to owners of the Company (RM’000)	6,765	8,615	35,165	27,261
Weighted average number of shares in issue (‘000)	131,557	132,030	131,765	132,030
Basic earnings per share (sen)	5.14	6.53	26.69	20.65

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	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after (charging)/ crediting: -				
Interest income	896	460	2,540	915
Depreciation of property and equipment	(6)	(6)	(17)	(23)
Depreciation of right-of-use assets	(15)	(15)	(47)	(46)

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 November 2024.