

**JCBNEXT BERHAD**  
(Company No. 641378-W)

SUMMARY OF KEY MATTERS DISCUSSED

THIRTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT WILAYAH 1, 1<sup>ST</sup> FLOOR, PRESCOTT HOTEL KUALA LUMPUR – MEDAN TUANKU, 23 LORONG MEDAN TUANKU 1, OFF JALAN SULTAN ISMAIL, 50300 KUALA LUMPUR ON THURSDAY, 29 JUNE 2017 AT 11.00 A.M.

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**1. CHAIRMAN**

The Chairman, Datuk Ali Bin Abdul Kadir, extended a warm welcome to the shareholders, proxies and guests present at the Thirteenth Annual General Meeting (13<sup>th</sup> AGM”) of the Company.

**2. QUORUM**

The Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 11.00 a.m.

Datuk Chairman then proceeded to introduce the Board and the Company Secretary to the shareholders.

**3. NOTICE**

With the consent of the members present, the Notice convening the 13<sup>th</sup> AGM having been circulated within the prescribed period was taken as read. Datuk Chairman then proceeded with the business of the 13<sup>th</sup> AGM.

**4. SUMMARY OF PROXIES RECEIVED**

As part of good governance, Datuk Chairman informed the members that the Company had received in total 29 proxy forms from shareholders for a total of Ninety Three Million Eight Hundred Fifty Three Thousand Five Hundred and Eighty Seven (93,853,587) only ordinary shares representing 67.11% of the total number of issued shares of the Company, excluding treasury shares.

Out of those, there were 6 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented are Sixteen Million Eight Hundred Forty Eight Thousand Six Hundred and Forty Six (16,848,646) only ordinary shares representing 12.05% of the total number of issued shares of the Company (excluding treasury shares).

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

## **5. RIGHTS OF SHAREHOLDERS**

Datuk Chairman informed the shareholders that they are encouraged to participate, speak and vote in this meeting. Datuk Chairman then proceeded with the business on the agenda.

## **6. AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

Datuk Chairman informed the Meeting that the Audited Financial Statements of the Company for the financial year ended 31 December 2016 (“FYE 2016”) together with the Reports of the Directors’ and Auditors’ thereon were meant for discussion only as approval from shareholders is not required.

Datuk Chairman further informed that the Company had received questions from the Minority Shareholder Watchdog Group (“MSWG”) prior to the 13<sup>th</sup> AGM, seeking clarification/information on several issues pertaining to strategic and financial matters of the Company.

Datuk Chairman then invited Mr Gregory Charles Poarch, the Chief Financial Officer of the Company, to present the questions received from the MSWG and the answers from the Management thereto via slide presentation at the 13<sup>th</sup> AGM for the benefit of the shareholders/proxies, details as set out in Appendix I.

Mr. Chang Mun Kee, the Chief Executive Officer of the Company (“Mark”), updated the shareholders/proxies on the background and status of investment in Asiatravel.com Holdings Ltd (“Asiatravel”). He informed that the investor from China, Zhong Hong New World International Limited (“ZHNWIL”), is still liable for the remainder of the proposed placement and was unable to make payment for the placement due to the foreign exchange restriction imposed by the State Administration of Foreign Exchange of the People’s Republic of China. The Company would continue to monitor closely the status of the investment in Asiatravel.

Having addressed the questions from MSWG, Datuk Chairman then opened to the floor for questions on the Audited Financial Statements of the Company for FYE 2016. A number of shareholders and proxies made comments and sought clarification on various issues which were succinctly addressed by the Board and Management. The salient issues raised were as follows:-

- (i) Strategy to be taken by the Company on the investment in Asiatravel, to which Mark responded that the Company would continue as an investor of Asiatravel and monitor for the turnaround of Asiatravel. The Board would consider to exit from Asiatravel in the event that the situation deteriorates.
- (ii) Timeframe for the Company to monitor for the turnaround of Asiatravel, to which Mark responded that there would not be any stipulated timeframe and the Management would continue to monitor the measures to be taken by Asiatravel to resolve the issue of ZHNWIL not being able to make payment for the placement due to the foreign exchange restriction imposed.

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

- (iii) Company's opinion on the placement exercise in respect of Asiatravel as the issue share price was lower than the market share price, to which Mark responded that the placement exercise was approved by the relevant regulatory parties and that the Company was not invited to join the exercise. Datuk Chairman further informed that the Company has established an Investment Committee to evaluate the investment opportunities of the Company and would continue to monitor the situation of Asiatravel. The Company has no intention to invest additional funds in Asiatravel at that juncture.
- (iv) Proposal on franchising the Senior Care segment for 104 Corporation (Taiwan) ("104 Corp") in Malaysia, of which was noted by the Board.
- (v) Proposal to provide 3 year-strategy and corporate plan of the Company, of which was noted by the Board.
- (vi) Proposal on venturing into healthcare services and retirement homes, of which was noted by the Board.
- (vii) Enquiry raised on the Company's total staff cost of RM4.8 million, to which Mr Gregory Charles Poarch replied that the total staff cost of RM4.8 million included the key management expenses of RM3.6 million which was concurred by the External Auditors.
- (viii) Comment that the dividend income of RM9.7 million and rental income of RM2.2 million are considered as passive income and there was a lack of main operations in the Company, to which Mr. Gregory Charles Poarch replied that the Company is evaluating new investments and operating Wisma JobStreet.com of which the rental generated from the building was part of the revenue of the Company.
- (ix) Steps to address the risk of the tenancy in respect of Wisma JobStreet.com which is due to expire, to which Mr. Gregory Charles Poarch replied that the Company would source for a new tenant and the risk was noted by the Board.
- (x) Comment on the disposal of shares by SEEK International Investments Pty Ltd, to which Mark responded that the transaction was conducted on a willing buyer willing seller basis.
- (xi) Proposal to invest in shares of real estate investment trusts, of which was noted by the Board.
- (xii) Proposal to acquire additional shares in 104 Corp, to which Mr. Gregory Charles Poarch replied that such recommendation would require the assessment of the Investment Committee.

At the invitation of Mr. Gregory Charles Poarch, Ms Brenda Shih from 104 Corp, presented the 104 Corp's business profile, history of business expansion, services and products, financial performance, dividend policy and company mission for the benefit of the shareholders/proxies.

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

Ms. Brenda responded to the following enquiries, proposals and/or suggestions by the shareholders/proxies during the 13<sup>th</sup> AGM:-

- Performance of 104 Corp;
- Deferred Revenue;
- Payment method of 104 Senior Care Bank; and
- Dividend yield;

Mr. Gregory Charles Poarch then proceeded to present the financial performance of the Company for FYE 2016 and the Group's performance for the first quarter of the financial year ending 31 December 2017.

After having addressed the questions/issues raised, the Audited Financial Statements of the Company for the FYE 2016 were deemed tabled and received.

## **7. POLL PROCEDURE**

Datuk Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of the 13<sup>th</sup> AGM must be voted by poll. Accordingly, Datuk Chairman demanded for a poll to be taken on all the resolutions set forth in the Notice of the 13<sup>th</sup> AGM pursuant to Article 70 of the Company's Articles of Association.

Datuk Chairman also informed that Quantegic Services Sdn Bhd has been appointed as the Scrutineers to facilitate the poll process. He added that the Meeting shall go through all the motions and the polling process will be conducted upon the conclusion of the deliberations of all items on the Agenda. At the request of Datuk Chairman, the Company Secretary then briefed the Meeting on the polling procedures.

After polling procedures was briefed by the Company Secretary, Datuk Chairman then proceeded with the resolutions set out in the Notice of the 13<sup>th</sup> AGM.

## **8. BALLOTING PROCESS**

After all the resolutions have been tabled to the Meeting, Datuk Chairman requested the Company Secretary to brief on the polling process. The shareholders and proxies present were then given time to cast their votes.

Datuk Chairman informed that the outcome of the poll would be announced after a lunch break as it would take some time for the Scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 1.35 p.m. for the votes to be counted and to enable the Scrutineers to present their report to Datuk Chairman.

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

## 9. ANNOUNCEMENT OF POLL RESULTS FOR RESOLUTIONS

The Meeting resumed at 2.10 p.m. and after obtaining the report from the Scrutineers, Datuk Chairman announced the results of the poll as follows:-

### 9.1 Ordinary Resolution 1

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 1</b> Declaration of Final Dividend of 2 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2016	103,062,890	100	0	0	UNANIMOUSLY CARRIED

It was RESOLVED:-

“THAT a Final Dividend of 2 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2016 be and is hereby approved for payment on 27 July 2017 to shareholders whose names appear on the Record of Depositors at the close of business on 11 July 2017.”

### 9.2 Ordinary Resolution 2

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 2</b> Approval of the increase of Directors' Fees to RM224,833.00 for the financial year ended 31 December 2016 and payment thereof	103,022,890	100	0	0	UNANIMOUSLY CARRIED

It was RESOLVED:-

“THAT the increase of Directors' Fees to RM224,833.00 for the financial year ended 31 December 2016 and payment thereof be and is hereby approved.”

### 9.3 Ordinary Resolution 3

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 3</b> Approval of the Directors' Fees up to an aggregate amount of RM300,000.00 per annum for the financial year ending 31 December 2017	103,022,890	100	0	0	UNANIMOUSLY CARRIED

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

It was RESOLVED:-

“THAT the Directors’ Fees up to an aggregate amount of RM300,000.00 per annum for the financial year ending 31 December 2017 and payment thereof be and is hereby approved.”

#### 9.4 Ordinary Resolution 4

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 4</b> Re-election of Datuk Ali bin Abdul Kadir as Director pursuant to the Article 85 of the Articles of Association of the Company	102,372,630	99.33	689,660	0.67	CARRIED

It was RESOLVED:-

“THAT the retiring Director, namely Datuk Ali bin Abdul Kadir, who retired pursuant to Article 85 of the Articles of Association of the Company, be and is hereby re-elected as Director of the Company.”

#### 9.5 Ordinary Resolution 5

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 5</b> Re-appointment of Messrs KPMG PLT as Auditors	103,062,890	100	0	0	UNANIMOUSLY CARRIED

It was RESOLVED:-

“THAT the retiring Auditors, Messrs KPMG PLT having signified their consent to act, be and is hereby re-appointed as Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors.”

#### 9.6 Ordinary Resolution 6

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 6</b> Proposed Renewal of Authority for the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016	103,022,850	99.96	40,000	0.04	CARRIED

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

It was RESOLVED:-

“THAT pursuant to Section 76 of the Companies Act 2016 (“the Act”), the Directors be and are hereby empowered to allot and issue shares in the share capital of the Company at any time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.”

#### 9.7 Ordinary Resolution 7

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 7</b> Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares of up to 10% of the total number of issued shares	103,022,890	99.96	40,000	0.04	CARRIED

It was RESOLVED:-

“THAT subject to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised, to the extent permitted by law, to make purchases of ordinary shares comprised in the Company’s total number of issued shares, such purchases to be made through Bursa Securities and to take all such steps as necessary (including opening and maintaining of a central depositories account under the Securities Industry (Central Depository) Act, 1991) and enter into any agreements, arrangements, and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any), as may be imposed by the relevant authorities from time to time subject further to the following:

- (i) the maximum aggregate number of ordinary shares in the Company (“JcbNext Shares”) which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company, subject to the provisions of the Listing Requirements;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the JcbNext Shares under the Proposed Share Buy-Back shall not exceed the retained profits of the Company for the time being. Based on the audited financial statements of the Company for the financial year ended 31 December 2016, the audited retained profits of the Company stood at approximately RM58.45 million;

JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

- (iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
  - (a) the conclusion of the next AGM of the Company, following the general meeting at which this resolution was passed at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority;
  - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the JcbNext Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority; and

upon the purchase(s) of the JcbNext Shares by the Company, the Directors of the Company be and are hereby authorised to cancel any portion or all of the JcbNext Shares so purchased or to retain the JcbNext Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders, and/or resold on Bursa Securities, and/or subsequently cancelled or to retain part of the JcbNext Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the purchase(s) of the JcbNext Shares by the Company with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the JcbNext Shares.”



JcbNext Berhad (Company No. 641378-W)

- *Summary of Key Matters Discussed at the Thirteenth Annual General Meeting of the Company held on Thursday, 29 June 2017*

#### 9.8 Ordinary Resolution 8

Resolution	Votes in Favour		Votes Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 8</b> Authority for Datuk Ali bin Abdul Kadir to continue in office as Independent Non-Executive Director	102,914,650	99.9998	240	0.0002	CARRIED

It was RESOLVED:-

“THAT authority be and is hereby given to Datuk Ali Bin Abdul Kadir who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance.”

#### **CONCLUSION**

There being no other business to be transacted, the Meeting concluded at 2.25 p.m. with a vote of thanks to the Chair.

Appendix I

# **JcbNext Berhad**

**13<sup>th</sup> Annual General Meeting**  
**29 June 2017**

# Historical Track Record

Year	Profit After Tax and Minority Interests	Dividends Paid	% Payout
2004	2,413,154		0%
2005	16,371,193	5,553,312	34%
2006	21,709,231	3,045,976	14%
2007	28,886,030	10,823,832	37%
2008	32,808,782	10,893,355	33%
2009	27,687,155	9,416,715	34%
2010	40,980,718	20,597,392	50%
2011	43,343,755	22,418,729	52%
2012	58,331,374	29,413,015	50%
2013	61,415,450	48,001,063	78%
2014	1,950,533,665	1,909,943,583	98%
2015	25,570,546	4,896,739	19%
	<u>2,310,051,053</u>	<u>2,075,003,711</u>	<u>90%</u>

# Current Portfolio of Material Equity Investments

Company / Investment	# of Shares	% of Equity	Currency	Cost (MYR)	Summary of FY 2015 Look-Through Profit			Dividends Received (MYR)
					Look-Through Profit (Source Currency)	JCB Share (Source Currency)	JCB Share (MYR)	
<b>Associates:</b>								
104 Corporation	7,630,000	23.03%	TWD	75,256,303	329,656,000	75,935,819	9,585,464	6,741,624
Innity Berhad	29,250,040	21.13%	MYR	8,487,984	2,924,958	617,581	617,581	-
				<u>83,744,287</u>			<u>10,203,045</u>	<u>6,741,624</u>
<b>LT Available for Sale Investments:</b>								
1010 Printing	54,112,030	7.03%	HKD	17,799,453	163,241,000	11,471,821	5,778,838	1,873,648
<b>LT Available for Sale Investments :</b>								
Asiatravel.com	4,692,000	1.34%	SGD	3,381,639	(10,816,000)	(144,758)	(410,763)	
<b>Total</b>				<u>112,714,860</u>			<u>15,571,120</u>	<u>8,615,272</u>

# **JcbNext Berhad**

*Questions from the MSWG*

## QUESTIONS FROM MINORITY SHAREHOLDER WATCHDOG GROUP

### Strategy and Financial Matters

1. It was reported under the Management Discussion and Analysis (MD&A) on page 16 of the Annual Report that Asiatravel continues to face stiff competition in the online travel space.

What strategy would the Company adopt to differentiate itself from other players in the industry and what measures have been taken to improve the Company's performance for FY2017?

Our response:

We are unable to comment on Asiatravel's strategy as JcbNext is only a passive investor with a small stake of 1.08% in Asiatravel.

2. The Group continues to rely on the financial performance of its associates, primarily 104 Corporation and Innity Corporation Berhad.

How does the Board expect these associates to perform for FY2017?

Our response:

We will refrain from commenting on the prospects of 104 Corporation and Innity Corporation Berhad as they are public listed companies. You may refer to their Q1 2017 earnings release for an indication of their performance this year. On Innity, although their revenue grew by 6.1% year-on-year in Q1, they reported a loss of RM3.5 million primarily due to doubtful debts provision arising from a lawsuit that they had filed in Hong Kong to recover a trade debt amounting to HK3.8 million. Innity has subsequently announced that they have entered into a settlement agreement with the debtor where the said debt will be collected in 3 instalments by 30 September 2017.