

**JcbNext Berhad**

**15<sup>th</sup> Annual General Meeting**  
**27<sup>th</sup> June 2019**

**JcbNext Berhad**

**Performance Update**

# Net Profit Performance (RM 000)

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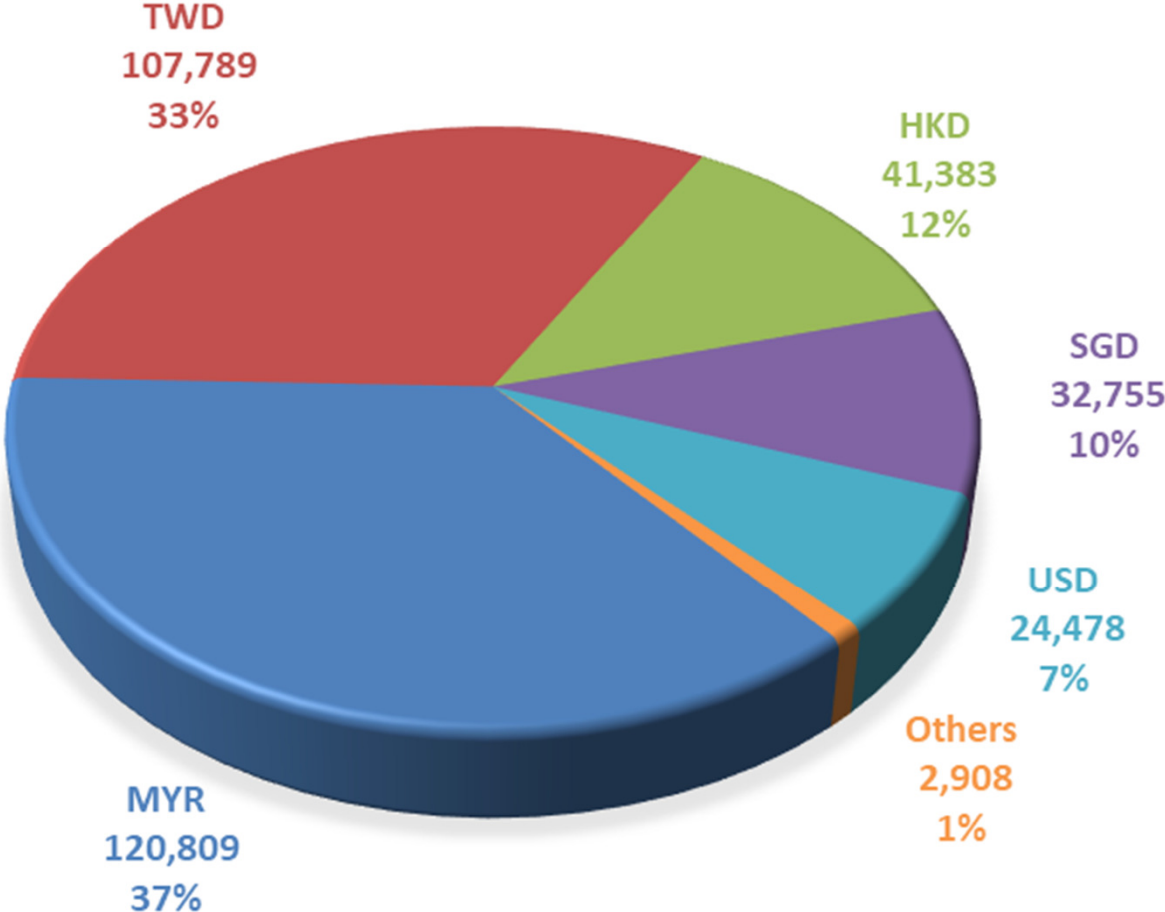
	2018	2017	Change
Revenue	8,530	9,895	-13.8%
Other Operating Income	6	15	
Foreign Exchange Gain / (Loss)	403	(3,737)	
Less: Operating Expenses			
Staff Costs	(2,680)	(4,205)	-36.3%
Contract & Outsourcing Costs	(720)	(669)	7.7%
Professional Fees	(1,053)	(918)	14.7%
Utilities & Office Expenses	(565)	(886)	-36.2%
Other	(854)	(719)	18.7%
	<u>(5,872)</u>	<u>(7,396)</u>	-20.6%
Results from Operating Activities	3,067	(1,223)	
Share of Profit from Associates	8,980	10,579	-15.1%
Interest Income	0	7	-99.5%
Other	(608)	(522)	16.5%
Profit before Tax	<u>11,439</u>	<u>8,842</u>	29.4%
Less: Taxes	<u>(1,485)</u>	<u>(1,977)</u>	-24.9%
Net Profit	<u>9,954</u>	<u>6,865</u>	45.0%

# Statement of Financial Position Summary

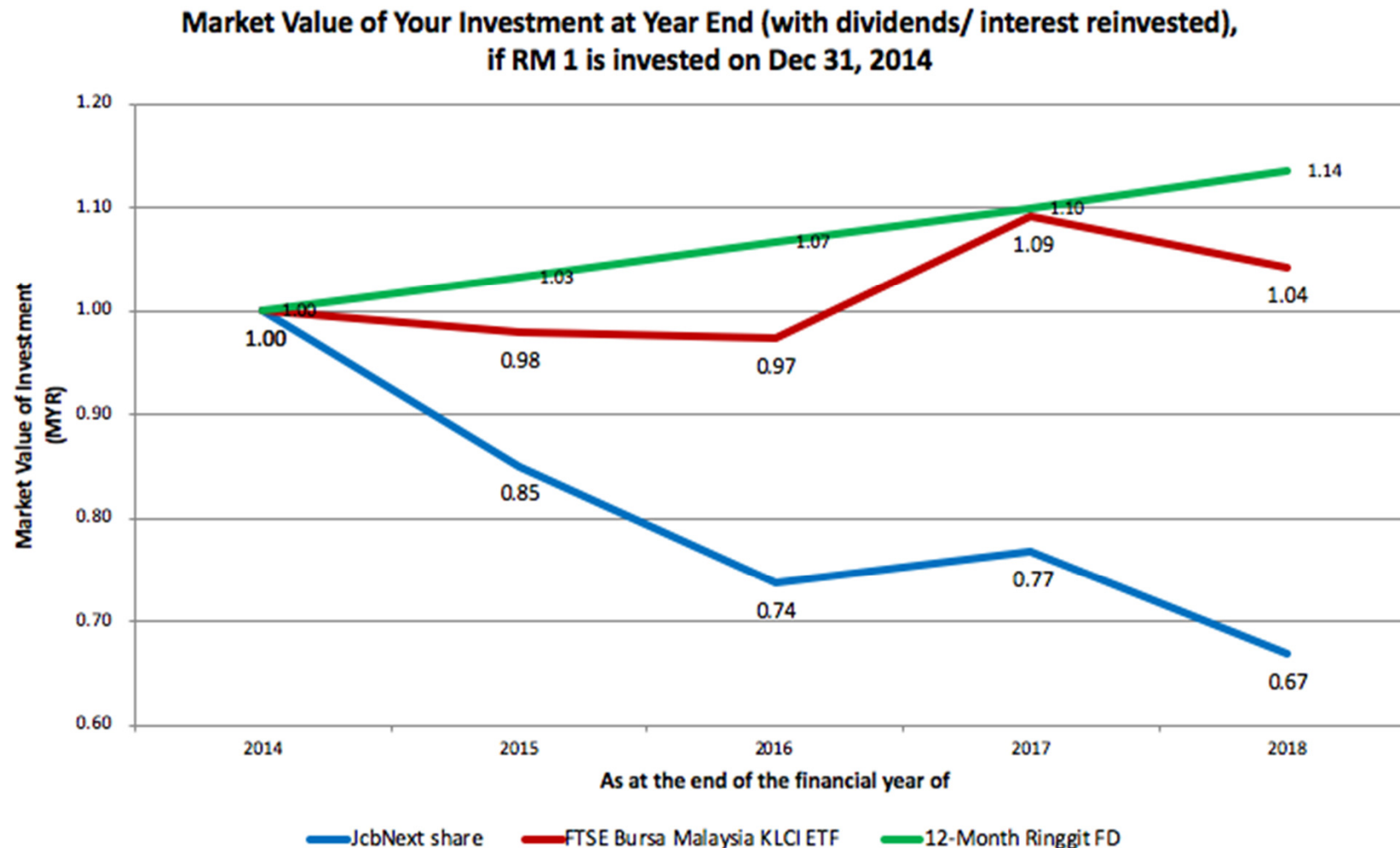
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	2018	2017
<b>Assets</b>		
Cash & Other Short-term Investments	135,219	134,465
Investment in Associates (104/Innity)	119,970	121,824
Other Long-term Equity Investments		
Lion Rock	38,380	44,441
Nova Pharma	3,239	2,000
Equity Portfolio Fund	10,093	11,037
Asiatravel	-	812
Unquoted Investments	2,449	900
Investment Properties	19,388	19,888
Others	1,384	1,672
	<u>330,122</u>	<u>337,040</u>
<b>Total equity attributable to shareholders</b>	328,585	335,041
Non-controlling interests	128	65
<b>Total Equity</b>	<u>328,713</u>	<u>335,106</u>
<b>Total Liabilities</b>	1,409	1,935
<b>Total Equity &amp; Liabilities</b>	<u>330,122</u>	<u>337,040</u>
<b>Net Asset Value Per Share</b>	2.39	2.40

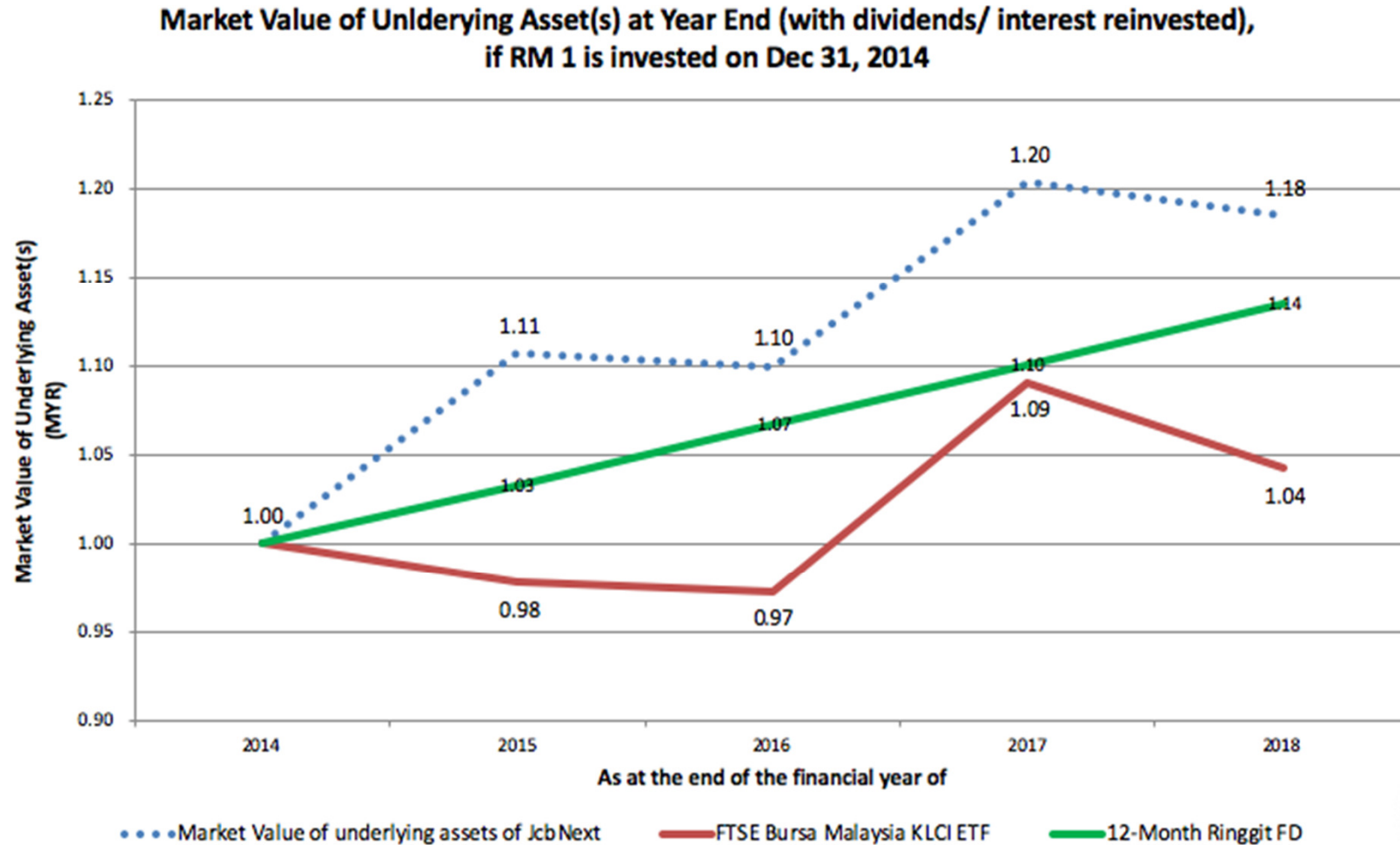
# Assets by Currency (RM 000)



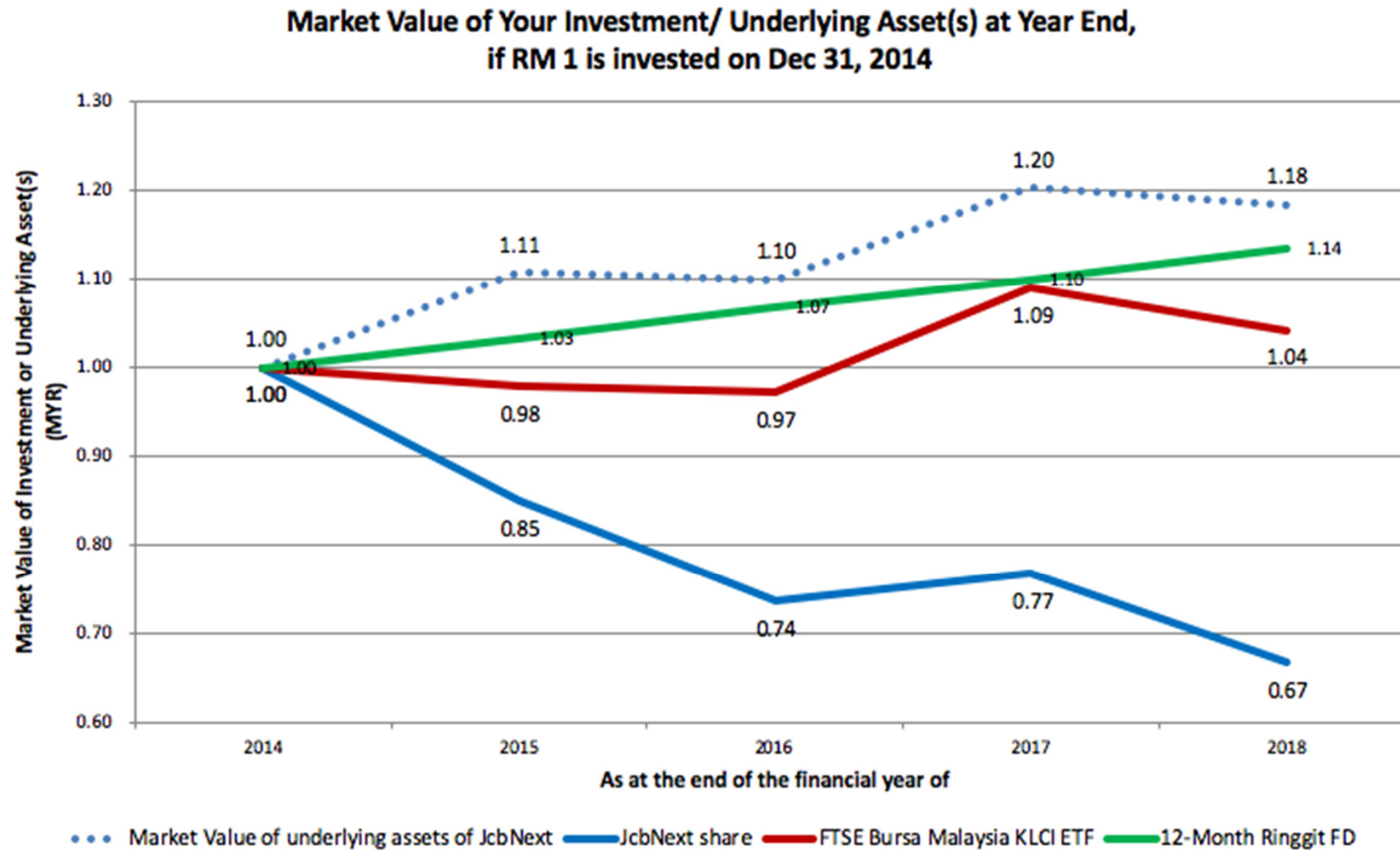
How much would your investment in JcbNext be worth now (market value), if RM 1 is invested on Dec 31, 2014? Compare that to the market value of investing in FTSE Bursa Malaysia KLCI ETF and putting the money into 12-month Ringgit FD, assuming all dividends/interest reinvested.



How much would your share of the underlying assets of JcbNext be worth now (market value), if RM 1 is invested on Dec 31, 2014? Compare that to the market value of the underlying assets of KLCI ETF and 12-month FD, assuming all dividends/ interest reinvested.

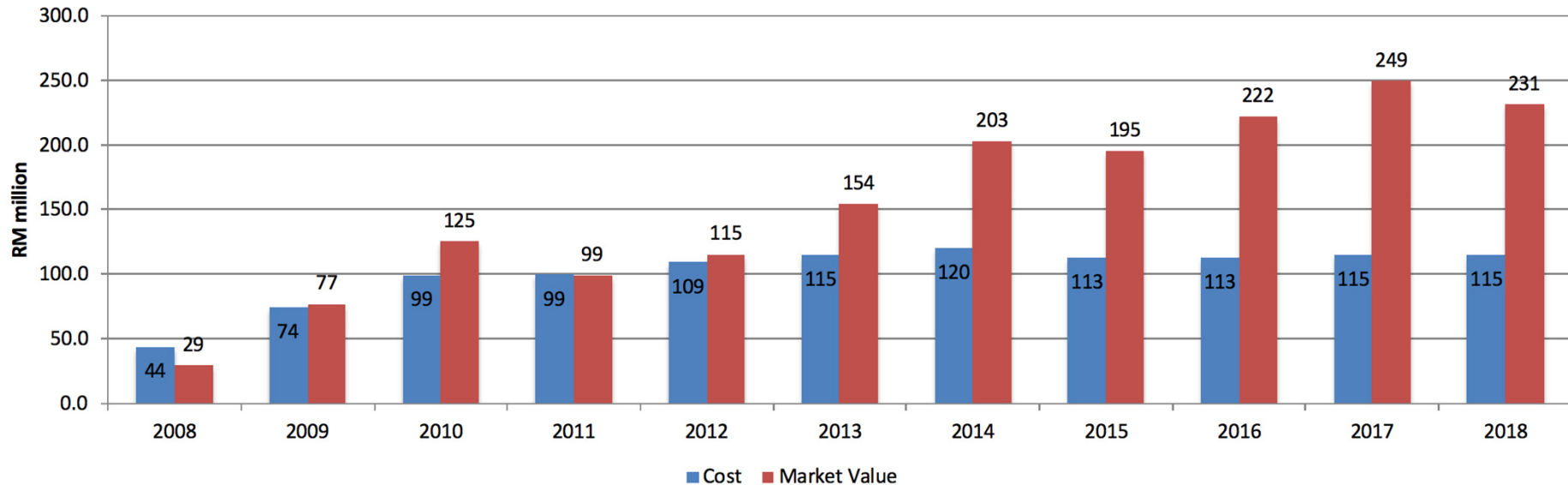


Combining the graphs in the previous two slides illustrates how the assets of JcbNext have grown in value, but JcbNext's share price has diverge from that underlying value of its assets significantly





**2008 - 2018 annualised return (including capital gains and dividends) of 11.4% vs 5.0% for KLCI**



Source of KLCI returns: FTSE Bursa Malaysia KLCI ETF Annual Reports

Note: JcbNext portfolio (by order of market value):

1. 104 Corp – Taiwan-listed
2. Lion Rock – Hong Kong-listed
3. Innity – Malaysia-listed
4. Equity Portfolio Fund – Regional high-yield equity fund
5. Nova Pharma – Malaysia-listed
6. Asia Travel – Singapore-listed

# “Adjusted Net Cash Flow’ Performance

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	2018	2017
<b>1. Cash Inflow</b>		
<b>1.1 Dividends received from Investee Companies</b>	<b>12,966,440</b>	<b>14,973,801</b>
104	9,764,252	11,665,784
Lion Rock	2,605,548	2,690,638
Equity Porfolio Fund	596,639	617,380
<b>1.2 Realised gains on disposal of investments</b>	-	138,322
<b>1.3 Revenue from Operations</b>	<b>1,053,116</b>	<b>960,137</b>
<b>1.4 Rental Income</b>	<b>166,267</b>	<b>1,757,453</b>
<b>1.5 Interest income generated from cash equivalents</b>	<b>4,108,696</b>	<b>3,869,784</b>
Money Market Funds	1,976,949	2,701,947
Fixed Deposit	2,131,747	1,167,837
<b>Total Cash Inflow</b>	<b>18,294,519</b>	<b>21,699,497</b>
<b>2. Cash Outflow</b>		
<b>2.1 Staff and director costs</b>	<b>2,977,100</b>	<b>4,495,691</b>
<b>2.2 Expenses incurred from operating Wisma JcbNext and other office expenses</b>	<b>674,798</b>	<b>995,977</b>
Rental and office expenses in Malaysia	533,440	814,796
Rental and office expenses outside Malaysia	141,358	181,181
<b>2.3 Professional fees</b>	<b>1,052,500</b>	<b>917,964</b>
<b>2.4 Other operating expenses (excluding forex losses)</b>	<b>1,134,631</b>	<b>1,012,358</b>
Contract and outsourcing cost	719,971	668,561
Others	414,660	343,797
<b>2.5 Tax expenses</b>	<b>1,485,158</b>	<b>1,976,950</b>
<b>Total Cash Outflow</b>	<b>7,324,187</b>	<b>9,398,940</b>
<b>3. Total free cash flow</b>	<b>10,970,332</b>	<b>12,300,557</b>

# Dividend Track Record (RM 000)

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FY	DPS (SEN)	DIVIDEND PAYOUT	NET PROFIT	% of NET PROFIT	FREE CASHFLOW	% of FREE CASHFLOW
2005	2.75 *	5,553	16,371	33.9%		
2006	1.50 *	3,046	21,709	14.0%		
2007	3.50	10,824	28,886	37.5%		
2008	3.50	10,893	32,809	33.2%		
2009	3.00	9,417	27,687	34.0%		
2010	6.50	20,597	40,981	50.3%		
2011	7.00	22,419	43,357	51.7%		
2012	9.25	29,413	58,331	50.4%		
2013	7.50	48,001	61,415	78.2%		
2014	272.65	1,909,944	1,950,534	97.9%		
2015	3.50	4,897	25,571	19.1%		
2016	2.00	2,797	11,352	24.6%	7,160	39.1%
2017	4.50	6,284	6,817	92.2%	12,301	51.1%
2018	4.00	5,510	9,895	55.7%	10,970	50.2%
		2,089,595	2,335,715	89.5%		

\* Not adjusted for the bonus issue of two new shares for every one ordinary share of RM0.10 each held and the share consolidation of two ordinary shares of RM0.10 each

# Share Buyback

	<b>2019 YTD(25/6)</b>	<b>2018</b>	<b>2017</b>
<b>Total Buyback</b>	1,017,300	1,895,100	207,700
<b>Avg Buyback Price</b>	1.51	1.68	1.74
<b>Book Value</b>	2.43	2.39	2.40
<b>Discount to book value</b>	38%	30%	28%

- At the current time, management believes JcbNext shares are undervalued at a substantial discount to book value.
- As such, share buyback is a good use of excess cash while we wait for investment opportunities to arise.

# Board Changes

- Datuk Ali will be re-designated as a Non-Independent, Non-Executive Chairman
- Mark Chang will be resigning from the Board of Directors to maintain at least half of the Board comprising independent directors. Mark will still remain as the Chief Executive Officer.
- The Board will be looking to appoint a new Independent Director

**Thank You**