JcbNext Berhad

Annual Report 2020

CONTENTS

Group Performance Highlights	2
Corporate Information	3
Corporate Structure	4
Profile of Directors	5
Profile of Senior Management Team	7
Letter from the Chairman	8
Letter from the Acting Chief Executive Officer	11
Management Discussion and Analysis	15
Corporate Governance Overview Statement	27
Sustainability Statement	39
Audit and Risk Committee Report	42
Statement on Risk Management and Internal Control	45
Additional Compliance Information	47
Directors' Responsibility Statement	48
Financial Statements	49
List of Properties	123
Analysis of Shareholdings	124
Notice of Seventeenth Annual General Meeting	127
Administrative Details of the Seventeenth Annual General Meeting	133
Proxy Form	Enclosed

GROUP PERFORMANCE HIGHLIGHTS

Financial Year Ended 31 December	2016	2017	2018	2019	2020
Operating Results (RM million)					
Revenue	9.2	9.9	8.5	8.7	6.0
Results from operating activities	3.2	(1.2)	3.1	3.2	0.0
Profit before tax	13.3	8.8	11.4	11.8	7.9
Profit after tax	11.4	6.9	10.0	10.3	6.4
Profit attributable to owners of the Company	11.4	6.8	9.9	10.3	6.5
Net cash used in operations	(6.4)	(5.8)	(4.0)	(3.2)	(3.6)
Key Balance Sheet Data (RM million)					
Total assets	333.4	337.0	330.1	327.8	325.5
Issued and paid-up share capital	70.0	196.6	196.6	196.6	196.6
Equity attributable to owners of the Company	331.0	335.0	328.6	325.8	323.6
No. of ordinary shares in issuance (no. of shares, million)	139.9	139.7	137.8	135.6	134.1
Share Information and Valuation					
Basic earnings per share (sen)	8.12	4.88	7.13	7.55	4.80
Diluted earnings per share (sen)	8.12	4.88	7.13	7.55	4.80
Net dividend per share (sen)	2.00	4.50	4.00	4.00	3.00⌖
Share price as at 31 December (RM)	1.70	1.75	1.48	1.45	1.40
Net dividend yield (%)	1.18	2.57	2.70	2.76	2.14
Financial Ratios					
Return on equity (%)	3.43	2.03	3.0	3.2	2.0
Current ratio	57.8	72.1	100.4	83.4	77.0
Net asset value per share (RM)	2.37	2.40	2.39	2.40	2.41
Operating margin (%)	34.76	(12.36)	35.96	36.63	(0.38)
Net profit margin (%)	122.97	68.89	116.00	118.69	107.12

⌖ Included the proposed final single tier dividend of 3.0 sen per ordinary share which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ali bin Abdul Kadir
Non-Independent Non-Executive Chairman

Teo Koon Hong
Independent Non-Executive Director

Cindy Eunbyol Ko
Independent Non-Executive Director

Lim Chao Li
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Teo Koon Hong
Chairman, Independent Non-Executive Director

Datuk Ali bin Abdul Kadir
Member, Non-Independent Non-Executive Chairman

Cindy Eunbyol Ko
Member, Independent Non-Executive Director

NOMINATION COMMITTEE

Teo Koon Hong
Chairman, Independent Non-Executive Director

Cindy Eunbyol Ko
Member, Independent Non-Executive Director

Lim Chao Li
Member, Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Lim Chao Li
Chairman, Non-Independent Non-Executive Director

Teo Koon Hong
Member, Independent Non-Executive Director

Cindy Eunbyol Ko
Member, Independent Non-Executive Director

INVESTMENT COMMITTEE

Lim Chao Li
Chairman, Non-Independent Non-Executive Director

Teo Koon Hong
Member, Independent Non-Executive Director

Cindy Eunbyol Ko
Member, Independent Non-Executive Director

Gregory Charles Poarch
Member, Chief Financial Officer

AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : JCBNEXT
Stock Code : 0058

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143)
(SSM Practicing Certificate No. 202008001023)

Wong Siew Yeen
(MAICSA 7018749)
(SSM Practicing Certificate No. 202008001471)
[*Appointed on 11 May 2021]*

Wong Wei Fong
(MAICSA 7006751)
(SSM Practicing Certificate No. 201908001352)
[*Resigned on 11 May 2021]*

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-78904800
Fax: 03-78904650

HEAD OFFICE

Wisma JcbNext
No. 27, Lorong Medan Tuanku 1
(Off Jalan Sultan Ismail)
50300 Kuala Lumpur
Tel: 03-26922333
Fax: 03-26981333

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-78904700
Fax: 03-78904670

WEBSITE

www.jcbnext.com

CORPORATE STRUCTURE
as at 30 April 2021

JcbNext Berhad

- 100% **Autoworld.com.my Sdn. Bhd.**
- 60% **Greenfield Japan Kabushiki Kaisha**
- 100% **JobStreet.com India Pvt. Limited**
- 100% **JcbNext Pte. Ltd.**
- 100% **JS Overseas Holdings Ltd.**
- 21.03% **Innity Corporation Berhad**
- 22.99% **104 Corporation (Taiwan)**

PROFILE OF DIRECTORS

Datuk Ali bin Abdul Kadir

Non-Independent Non-Executive Chairman
Malaysian, 72 years of age, Male

Datuk Ali bin Abdul Kadir was appointed to the Board of Directors on 1 October 2004 and served as the Independent Non-Executive Chairman until 27 June 2019 when he was redesignated as a Non-Independent Non-Executive Director. As a Non-Independent Non-Executive Director, Datuk Ali continues to serve as the Chairman of the Board of Directors and is also a member of the Audit and Risk Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales (”ICAEW”), member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants. He is also Honorary Advisor to ICAEW-KL City Chapter and Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK).

Datuk Ali is Chairman of Enra Group Berhad. He is also a Board Member of Glomac Berhad, Citibank Berhad, Ekuiti Nasional Berhad and other private companies and foundations.

Datuk Ali was appointed as Chairman of the Securities Commission of Malaysia on 1 March 1999 and served in that capacity until 29 February 2004. He also served on a number of national-level committees including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta). Prior to his appointment to the Securities Commission, he was the Executive Chairman and Partner of Ernst & Young and its related firms. He was also the former President of the MICPA, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. He was appointed an Adjunct Professor in the Accounting and Business Faculty, University of Malaya (2008 till 2011) and was then appointed to the Advisory Board of the same Faculty. Datuk Ali was also previously the chairman of Milux Corporation Berhad, Microlink Solutions Berhad and the Financial Reporting Foundation and a board member of Labuan Financial Services Authority.

On the international front, Datuk Ali was a member of the Exco Board of the International Organisation of Securities Commissions’ (IOSCO), chairman of their Asia Pacific Region Committee and the Islamic Capital Market Working Group. In addition, he was trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions, Force of Nature Aid Foundation; and also the Advisor to the Sri Lanka Securities and Exchange Commission.

Datuk Ali was awarded the Panglima Jasa Negara (PJN) by the Yang di-Pertuan Agong in 2001. In 2012, he was bestowed the Lifetime Achievement Award by ICAEW and the President’s Award by MICPA.

Datuk Ali has attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2020.

Teo Koon Hong

Independent Non-Executive Director
Singaporean, 71 years of age, Male

Mr. Teo Koon Hong is an Independent Non-Executive Director of the Company and was appointed to the Board of Directors on 25 June 2015. He is the Chairman of the Audit and Risk Committee and the Nomination Committee, and a member of the Remuneration and Investment Committees.

Mr. Teo holds a Bachelor of Accountancy from the University of Singapore. He is also a graduate of the Institute of Cost and Management Accountants, United Kingdom and a Fellow Chartered Accountant of Singapore. Mr. Teo commenced his career in 1975 as a Cost Accountant of Beecham Pharmaceutical Pte. Ltd. (now part of Glaxo Smithkline). Subsequently, from 1977 to 1984, he joined Carrier Corporation and served in various positions including as the Regional Finance Director, Asia Pacific; Director of Strategic Planning based in New York; Managing Director of Carrier Singapore and President of Carrier Thailand.

From 1985 to 1996, Mr. Teo invested into Price Asia Manufacturing Pte. Ltd.. In 1996, he sold his stake in Price Asia Manufacturing Pte. Ltd. to Johnson Controls and as part of the terms of the sale, he joined Johnson Controls as their Vice President of Asia Pacific. In 2000, Mr. Teo left Johnson Controls to pursue opportunities in private equity and served in a non-executive capacity on the board of JobStreet.com Pte. Ltd.. In 2004, he was a director and shareholder in Enerpro Pte. Ltd. until 2008. He does not hold any other directorship of public companies.

Mr. Teo Koon Hong has attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2020.

Cindy Eunbyol Ko

Independent Non-Executive Director
American, 44 years of age, Female

Ms. Cindy Eunbyol Ko is an Independent Non-Executive Director of the Company and was appointed to the Board of Directors on 27 June 2019. She is also a member of the Audit and Risk, Nomination, Remuneration and Investment Committees. Ms. Cindy Ko obtained her Bachelor of Arts majoring in International Relations from Wellesley College, USA in 1998, a Master of Business Administration from Harvard Business School, USA in 2005 and is also a Fulbright Fellow. She commenced her career in 1999 as an analyst with Goldman Sachs. Subsequently, from 2002 to 2003, she joined World Relief serving as the Managing Director of the Zavet Business Center based in Pristina, Kosovo. From 2005 to 2016, Ms Cindy Ko was with Endeavour, a not-for-profit organisation in the entrepreneurship space that connects high-growth start-ups with networks, new markets and capital, as the Vice President of International Expansion, based in New York and subsequently as the Head of Asia, based in Singapore. In the latter role, she was in charge of launching new country offices in Asia for Endeavor and was instrumental in growing the organisation's footprint from 6 country offices to 25 during her tenure. After her time in Endeavour, she had shorter stints as a Venture Partner managing investments for a prominent Southeast Asian family and subsequently, for Quinoa Capital.

Ms. Cindy Ko has attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2020.

Lim Chao Li

Non-Independent Non-Executive Director
Malaysian, 55 years of age, Male

Mr. Lim Chao Li is a Non-Independent Non-Executive Director of the Company. He was appointed to the Board of Directors on 1 October 2004. He is the Chairman of the Remuneration and Investment Committees and a member of the Nomination Committee. Mr. Lim graduated with degrees from the University of Pennsylvania's School of Engineering and Applied Science and the Wharton School. He has worked for Deloitte & Touche and Johnson & Johnson and currently he is with the Hotel Equatorial Group, a family business that is involved in hospitality and property. He is a Board Member of Public Bank Berhad. He is a member of the Executive Board for Asia of the Wharton School, University of Pennsylvania and the former Chair of the Council of Governors of the Alice Smith School in Malaysia.

Mr. Lim Chao Li has attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2020.

None of the Directors have any family relationship with any other Director and/or major shareholders of the Company.

None of the Directors have any conflict of interest in any business arrangement involving the Company, nor have any convictions for offences (other than traffic offence, if any) within the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

PROFILE OF SENIOR MANAGEMENT TEAM

Liong Wei Li
Acting CEO
Malaysian, 37 years of age, Male

Mr. Liong Wei Li is the Acting Chief Executive Officer of the Company and was appointed to this role on 1 January 2021. He joined the Company in December 2012 as the Special Officer to the CEO and was a Product Owner for the JobStreet.com business, during which he focused on revamping the employer-facing recruitment system for JobStreet.com's regional user base. Since the sale of the JobStreet.com business, he has been focused on the Company's investment activities, responsible for establishing and continuously refining the investment processes for the Company, as well as sourcing and analysing potential investment opportunities. Mr. Liong holds a Bachelor of Economics degree from the University of Malaya and an MPhil in Economics degree from the University of Cambridge. He also holds a Bachelor of Laws degree from the University of London and the Certificate of Legal Practice from the Legal Profession Qualifying Board in Malaysia. In addition, Mr. Liong is a holder of the CFA and CAIA charters, as well as the CIPM designation. He commenced his career as a research associate at the Institute of China Studies and the Faculty of Economics & Administration at the University of Malaya. He is currently an Alternate Director to Mr. Gregory Charles Poarch on the Board of Innity Corporation Berhad.

Gregory Charles Poarch
Chief Financial Officer
American, 56 years of age, Male

Mr. Gregory Charles Poarch graduated with a Bachelor of Science in Accounting from Southwestern Oklahoma State University, USA in 1988. He commenced his career in 1988 as a Senior Auditor with Finley & Cook, Certified Public Accounting Firm. Moving on, he joined Occidental Petroleum Corporation as an Audit Supervisor. Subsequently in 1996, he joined MEASAT Broadcast Network Systems Sdn. Bhd. as a Project Manager. He was promoted to Senior Manager level in 1997. He joined the JobStreet Group in 2000 and took on the position of Vice President, Finance & Administration. With the listing of the JobStreet Group in November 2004, he became the Chief Financial Officer of the Company. He is also a member of the Investment Committee. He currently sits on the Board of Innity Corporation Berhad.

Dr. Wong Siew Hui
Chief Technology Officer
Malaysian, 57 years of age, Male

Dr. Wong Siew Hui ("Dr. Albert") obtained his Bachelor of Engineering (Civil) from the University of Western Australia in 1987, a Master of Science in Civil Engineering from the Massachusetts Institute of Technology, USA in 1991 and a PhD degree in Computer-Aided Engineering from the Massachusetts Institute of Technology, USA in 1993. Dr. Albert started his career with Schlumberger Austin Product Center before moving to Genesis Development Corporation, USA in 1998. Dr. Albert joined the JobStreet Group in 2000 where he had overall responsibility for JobStreet's technology including product development, website platform, architecture, sales technologies, technical operations and technical support.

He does not hold any directorships in public companies and listed issuers in Malaysia.

None of the Senior Management Team have any family relationship with any other Director and/or major shareholders of the Company.

None of the Senior Management Team have any conflict of interest in any business arrangement involving the Company, nor have any convictions for offences (other than traffic offence, if any) within the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

LETTER FROM THE CHAIRMAN

Dear Shareholders,

It is our pleasure, on behalf of the Board of Directors to present the Annual Report and Audited Financial Statements of JcbNext Berhad ("JcbNext" or "the Group") for the financial year ended 31 December 2020. I hope you have been keeping yourself and your families safe and healthy. After a seemingly long year traversing between lockdowns of various levels and accepting life in the new normal, we now look forward to better days ahead as the vaccination exercise goes underway.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2020, the Group recorded revenue of RM6.02 million, profit before tax of RM7.88 million and a profit attributable to shareholders of RM6.45 million, representing year on year ("yoy") contractions of 30.7%, 33.3% and 37.4% respectively. The Group's financial performance was negatively impacted by the COVID-19 pandemic via the direct impact of the economic and health crisis on the businesses of our equity accounted associates, as noted in the decline in the share of profits from our associates from RM9.09 million in 2019 to RM8.42 million in 2020, a decline of 7.3% yoy. The pandemic and the resulting economic downturn and decrease in business confidence had also led to some of our investments lowering their dividend pay-outs in 2020. As a result, the Group's dividend income had decreased by 39.7% yoy to RM2.00 million from RM3.31 million in 2019. The Group, with still a significant cash pile at its disposal, was in the cross hairs of our central bank as it slashed the Overnight Policy Rate four times from January to July 2020 for a total reduction of 125 basis points. That led to a significant decline in the Group's interest income and investment distribution income from money market unit trust investments by 36.6% yoy to RM2.56 million in 2020 from RM4.03 million in the year before that.

During the year, we continued to monitor our costs with our operating expenses, excluding foreign exchange gains/losses, increasing slightly by 4.2% to RM6.03 million in 2020 from RM5.79 million in 2019. We will continue to ensure that our operations are managed prudently and spending where necessary only.

To have a balanced picture of the financial performance of the Group during the year, we would also have to look into the consolidated statement of financial position, specifically in equity. Despite recording a net profit attributable to shareholders of RM6.45 million in 2020, shareholders' funds had decreased from RM325.82 million in 2019 to RM323.60 million in the current year. Besides shares bought back and dividends paid amounting to RM2.01 million and RM5.37 million respectively, there was a decrease in the fair value of the Group's equity investments designated at fair value through other comprehensive income ("FVOCI investments") amounting to RM6.39 million which was the primary reason for the decrease in net assets or shareholders' fund during the year.

As at 31 December 2020, our total assets stood at RM325.52 million with shareholders' funds recorded at RM323.60 million (RM2.41 per share), compared with RM327.83 million and RM325.82 million (RM2.40 per share) as at the end of 2019. With liquid cash and short-term investments totalling RM130.88 million, and no debt, we continue to actively search for acquisition opportunities and believe we are positioned well to enter into long-term partnerships when such opportunities eventually arise.

A detailed discussion on the Group's financial performance can be found in the Management Discussion and Analysis included in this Annual Report.

DIVIDEND

The Board of Directors is pleased to propose a final single-tier dividend of 3.0 sen per share for the financial year 2020 (2019: 4.0 sen). The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

CORPORATE DEVELOPMENTS

In the area of investments, the Group had, during the year, invested approximately RM6.49 million in various equity investments. That sum may seem paltry compared to our cash reserves but these are still early days of our investment acquisitions post COVID-19. As you are aware, stock markets across the world witnessed extreme volatility in the months of February and March of 2020 but thereafter, markets rebounded and went on pretty much an upward trajectory till today, fuelled by a combination of factors such as progress on the vaccine front, government intervention measures and economic stimulus packages, prospect of technology stocks, low interest rates and so on. We are still in the midst of the pandemic as the vaccination process has only just begun. The Board of Directors will continue to be prudent and ensure that we do not chase any equity investments aggressively which will only hurt our returns or yields in the long run. I ask that shareholders continue to be patient as we invest only at prices that meet our investment objectives.

Towards the end of 2020, Mr. Mark Chang Mun Kee ("Mark") the founder of the Company had relinquished his role as Chief Executive Officer ("CEO"). Nevertheless, he remains on the board of our significant investment, 104 Corporation, and also as a director of our subsidiaries in Singapore and Japan. As the Group's controlling shareholder, Mark will continue to be engaged in the strategic direction of the Group albeit in a more indirect manner. Mark has been succeeded by Mr. Lionel Liong Wei Li ("Lionel Liong") who took over as Acting CEO with effect from 1 January 2021.

We believe that at the prevalent share prices of the Company in 2020, buying back our shares was a good use of our cash. During the year, we had bought back 1,471,400 shares which substantially made up the 1,492,800 treasury shares held as at 28 December 2020 which were cancelled. Given how the share price of the Company had fallen further in 2021, we have been continuing with our share buy-back program.

GOING FORWARD

The Board and management are committed to try to be patient and disciplined so that we invest only when the right opportunity presents itself at the right price. Our experience along these lines in the past, especially with 104 Corporation and Lion Rock Group Limited ("Lion Rock"), has been very fruitful and gives us confidence that this is the right path for us. After what was an excruciatingly painful and long year battling COVID-19 as the death toll mounted in alarming numbers worldwide, we are now hopefully seeing the light at the end of the tunnel as vaccines are gradually being administered worldwide. Although no one can guarantee the efficacy of the vaccines nor predict whether there will be further waves of infections, the step towards global vaccination and the reopening of economic sectors, albeit with strict adherence to standard operating procedures, is a step in the right direction. For sure the number of COVID-19 cases will remain high for a while, but life as we know it has to continue in some form. Amidst this backdrop, the

Board and management will continue to look for pockets of opportunities, searching for yields and investing only when our pre-determined investment criteria has been met.

SUSTAINABILITY

The Group continues to endorse principles of sustainability in its business operations and corporate activities. We are pleased to present to you our Sustainability Statement in the Annual Report where you can find our thoughts on the matter and also some of the initiatives that are already in place.

APPRECIATION

We would like to record our appreciation to all our employees, valued partners, business advisers and shareholders for your continued support during the past year.

DATUK ALI BIN ABDUL KADIR
Chairman

LETTER FROM THE ACTING CHIEF EXECUTIVE OFFICER

OVERALL PERFORMANCE

Our revenue for FY2020 was RM6.0 million, a decrease of around 30.7% from the RM8.7 million in FY2019, according to accounting standards. Profit after tax for FY2020 fell to RM6.4 million, around a 38.1% drop from FY2019, reflecting in part the low interest rate environment and also the impact of the pandemic on the financial performances and dividend payout of some of our portfolio companies.

These figures, while often revealing for many businesses, might not fully illustrate the economic substance of our company. It's perhaps more intuitive to think about our company using the following data points in our financial reports:

1. As at 31 December 2020, the net asset value (NAV) of our company stood at about RM323.6 million, the biggest component of which are RM170.7 million in marketable securities (including stakes in our listed associate companies), RM130.9 million in cash and money market funds and RM18.4 million in investment properties, with no material debt. Our NAV figure in 2020 declined by approximately 0.7% compared to 2019.
2. If we had calculated the value of our assets using the market prices of our associates (104 Corp and Innity), rather than what is shown on our balance sheet, that 'adjusted NAV' figure would be RM382.7 million in 2020, a decline of about 0.6% compared to 2019.
3. These assets generated dividends, interest and rental incomes of about RM15.0 million in 2020, approximately 8.1% lower than the RM16.3 million in 2019.
4. Meanwhile, staff costs and other operating expenses at our investment holding operations was RM5.1 million in 2020, an increase of about 10.5% from 2019. This excludes forex gains or losses, but includes the expenses related to operating all eight floors of Wisma JcbNext.
5. Deducting taxes and making some other minor adjustments, the free cash flow generated by our business is estimated to have declined by about 26.9% to RM7.4 million in 2020, from about RM10.1 million in 2019.

Both the headline accounting figures and the metrics I have cited are unpleasant reading, with the latter perhaps reflecting a picture that is slightly less grim, but one that is nonetheless disappointing. We hope to see improvements. Rest assured – I would be as happy to be assessed on the same metrics during a year when the pure accounting numbers outperform.

CORPORATE STRATEGY

As this is my first annual letter, let me reiterate how we view JcbNext. We hope that JcbNext could, primarily through our investments into other businesses, help our shareholders preserve their purchasing power, grow their wealth gradually and provide a regular income stream through a distribution of dividends.

The focus of the JcbNext management will be on increasing, over time, the amount of dividend per share we could pay out to our shareholders, while trying to minimise the downside risks of our investments by working towards a portfolio that is sufficiently diversified, conservative and sustainable.

Many of our investments going forward will likely be relatively small stakes in high-quality, established publicly-listed businesses, as those opportunities are less difficult to come by. However, we also explore possibilities of buying larger business operations if a 'good' business becomes available at the 'right price'. Note though, in such cases, we will need a good management team that is as able, willing and enthusiastic about running the business after our purchase, as they were before.

A possible implication from this mindset is that, if we do our job well, we should see our dividend per share increase gradually, in small incremental amounts, over the long term. However, it's equally important that I explain to you that, our conservatism and an emphasis on diversification would mean it's highly improbable, or close to impossible, for you as investors to ever hit a 'jackpot', for example, the value of our portfolio shooting up 300% within 6 months.

INVESTMENT CRITERIA

To a large degree, the criteria that we continue to use in evaluating investment opportunities remain unchanged from what Mark wrote in the annual report previously: 1. Good businesses, 2. Shareholder-friendly managements, 3. Right prices.

We like businesses that have excellent competitive moats and favourable economic characteristics, as they are usually the ones that can generate stable free cash flow that could be distributed to shareholders over the long term. The best ones could also reinvest that cash back into the business at a favourable rate of return, thus further growing their future cash-generating ability. Apart from such established businesses, we explore earlier stage or slightly riskier businesses too, but the amounts will likely be relatively small. We really do not like to lose the money that our shareholders have entrusted to us.

Note though, even if the business is 'good', it still needs a shareholder-friendly management team, so that investors are given the chance to share in the profits generated by the business. A 'shareholder-friendly management' would usually make a well-considered choice between distributing the cash generated from the business to shareholders, or investing back into the business, depending on which is expected to eventually create more 'value' for shareholders. One that is not will likely choose to enrich themselves ahead of shareholders.

After identifying the 'good' businesses and managements, we need to have the patience to buy at 'right prices', i.e. another way to reiterate to you that we're conservative.

CASH PILE

As at the end of 2020, the cash pile at JcbNext stood at RM130.9 million, about 40% of our net book value. This is high by almost all standards.

In March 2020, there was a market correction that offered many publicly-listed businesses at decent discounts. However, we only invested a very small amount during that month, before investing another RM6.0 million in the rest of FY2020. Since then, we have deployed a further RM6.3 million in 2021, as at the end of April, bringing our total investment since March 2020 to RM12.5 million.

In hindsight, we probably should have invested quicker and a much larger amount during the initial market correction in March 2020 and the few months after that. However, we hesitated as we thought that the market has more to fall and we were taken by surprise by how quick the market rebounded and the subsequent rise in equity prices since then - which came despite the lack of similar positive indicators in the real economy.

That said, looking back at the missed opportunities, there was a lot of uncertainties at the onset of the pandemic and we were guided by the principle that it is much more important that we do not lose the money our investors entrusted to us.

THE PORTFOLIO

Before going further, allow me to hail the entrepreneurs running our portfolio companies, who have exhibited wonderful dedication and resilience during the strange year of 2020. They are truly a testament of the ingenuity of mankind during such testing times for business operators.

Let me focus on our largest portfolio company - 104 Corp, a job bank established in 1996 in Taiwan, of which we hold a stake of approximately 22.99%. The company contributed the bulk of our dividend income for 2020, about RM9.4 million, despite a challenging year in which its profits fell close to 10%. Their business appears to have rebounded strongly since Q2 2020.

During our own internal discussions about the company, challenges peculiar to the job board/ HR industry - something we have had first-hand experience in dealing with - and other factors that could affect 104's financial performance, including general economic conditions and geopolitical tensions, are themes that have come up time and again.

However, what has never been in question is the dedication of the management team to continuously improve products and services to better solve the problems of their customers - and how the company appears so dedicated in helping create a compassionate society in Taiwan, alongside its role of human capital development.

I'm always still in awe whenever I'm reminded that the founder of the business still brings his own lunch and dinner boxes to the office, which according to folklore, is for saving time so that he can focus on improving his products! Some entrepreneurs and businesses not only bring the golden coins to our piggy banks, but also a smile to our faces.

Our other larger investments, including Lion Rock, Innity, Hastings and Nova Pharma have all, in one way or another, been affected by the pandemic, but all have illustrated incredible resilience during the year and we are proud to be part-owners of these companies. These are companies that have strong cash balances and we believe any impact from the pandemic on most of their business operations should be temporary.

NEW INVESTMENTS

Aside from the larger investments above, we have been building up a portfolio of equity investments, consisting of smaller stakes in listed companies across the Asia-Pacific region, including investments in Malaysia, China, Hong Kong and Australia.

The RM12.5 million equity investments made since March 2020, as mentioned earlier, would fall under this category and we believe more of our future investments would be of such nature - smaller stakes in high quality and/or undervalued listed companies both within and outside of Malaysia. The biggest components of this new equity portfolio so far are financial services and insurance companies.

Note, we view such smaller equity investments as part-ownership of good businesses and it's our intention to hold such investments for the long term. We do not view them as a series of flashing stock tickers, arrows and numbers that we should trade on at every opportunity.

THE MARKET

I should add that, with markets having risen significantly since the trough of 2020, the number of investment opportunities available at 'right prices' (for us) have reduced significantly in the past few months. However, we continue to try to identify 'value' in the market to put more of our cash to work.

How do we decide whether any investment opportunity is priced attractively? A general reference point would be the interest rates in the markets that we invest in. Equities in general look very cheap, even now, if interest rates remained at the current low levels for the long term. However, the big question is then whether rates will remain as such over the longer term and what are the factors that would push it one way or the other.

These are critical questions, that we unfortunately do not have clear answers to. As much as I am a believer of the reversion to mean for long term interest rates and the eventual tightening of credit conditions, there also appears to be strong tailwinds that could support continued easy fiscal and monetary policies for a long time, which would support high valuations.

As the situation ahead is unclear for us, in the absence of new information, I believe a prudent move would be to stick to our "normal" stance in investing, rather than being either more aggressive or defensive. Practically, that would mean our team continuing to try identity good businesses at the right prices, in an effort to put more of our cash to work. However, that would also mean that it's likely for us to suffer from a 'cash drag' for a considerable amount of time, due to our cash pile, if market conditions remain.

AWAY FROM THE OFFICE

At the company, since March 2020, most of our staff have been largely working from home, thanks to technology enabling us to work, collaborate, have discussions and even 'meet up' remotely. We continue to operate with a small but highly competent team of staff, whose collective efforts have enabled the company to almost seamlessly transition to a new way of working. The team has been a joy to work with.

PARTNERS

Finally, I thank the Board of Directors and my mentor Mark for placing enough trust in me to allow me to take up this role, and I hope to earn yours for the many years to come as 'partners' in this business.

What I can promise is to treat you as 'partners' and put in place, as well-designed as we could conceive, incentive structures within the company that have our interest aligned. Over the longer term, we believe that if we stick to our investment strategy and philosophy, we should see incremental improvements to our portfolio that would hopefully translate to larger dividend payouts to our shareholders over time.

LIONG WEI LI
Acting Chief Executive Officer

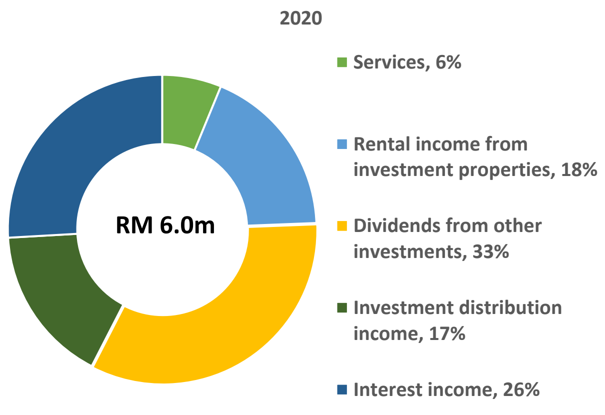
MANAGEMENT DISCUSSION AND ANALYSIS

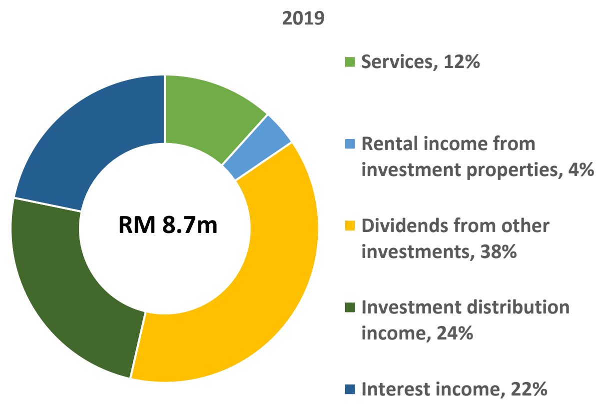
OVERVIEW

JcbNext Berhad ("JcbNext") is an investment holding company. It owned and operated the JobStreet.com online job portal business from 2004 to 2014. In 2014, the job portal business was sold to SEEK Ltd for close to RM2 billion with the net proceeds paid as dividends to shareholders. Today, the Company has stakes in associates, 104 Corporation, the largest job site in Taiwan and Innity Corporation Berhad, a leading provider of interactive online marketing platforms and technologies in Malaysia. It also has a majority stake in a small consultancy business in Japan and operates the Autoworld automotive classifieds and content website. JcbNext also has quoted investments in Malaysia, Hong Kong, Australia and Singapore and owns a 8-storey office building in Kuala Lumpur and a 2-storey shoplot office in Johor.

2020 IN REVIEW

During the year, the Group generated revenue from services, rental of office space, dividends, interest and other investment income. The Group's revenue mix for 2020 and 2019 are as depicted below:-





As the Group is principally in investment holding, the biggest contributor to group revenue is dividends from equity investments at 33% of revenue or RM2.00 million in 2020. This is followed by interest income at 26%, rental income at 18% and investment distribution income from the placement of funds in money market unit trust funds at 17%. Services only contributed 6% of revenue and it is primarily from the Group's subsidiary in Japan.

Total revenue had fallen by 30.7% in 2020. Bank Negara Malaysia had slashed the Overnight Policy Rate four times from January to July 2020 for a total reduction of 125 basis points. That led to a significant decline in the Group's interest income and investment distribution income from money market unit trust funds by 36.6% yoy to RM2.56 million in 2020 from RM4.03 million in the year before that. In addition, the Company had withdrawn all of the funds held in the money market unit trust funds during March and April 2020 in view of the uncertainty arising from the COVID-19 situation then and the impending removal of the tax-exempt status of retail money market funds. This had also contributed to the lower investment distribution income in 2020.

Dividend income from equity investments had also fallen by 39.7% yoy to RM2.00 million in 2020 from RM3.31 million in the preceding year. This was primarily due to lower dividends received from Lion Rock Group Limited ("Lion Rock") amounting to RM1.90 million in 2020 compared with RM2.82 million in 2019. New investments made by the Group in 2020 could not mitigate the decrease in dividends from Lion Rock as the Group had only acquired some of those investments in the second half of 2020 which was past the entitlement dates for their FY 2019 dividends. In other cases, some of the investees had not declared any dividends in 2020 due to the impact of COVID-19 on their businesses. In any case, these new investments are still small and not able to generate substantial dividends for the Group. Dividend income in 2019 had also included dividends amounting to RM0.49 million generated by an equity fund which was liquidated in April 2019. During 2020, the Group continued to receive dividends amounting to RM9.37 million from it associate, 104 Corporation, although such dividends are not accounted for as revenue.

On a brighter note, rental income from investment properties had increased from RM0.33 million in 2019 to RM1.09 million in 2020 due to the collection of rental from our tenant in Wisma JcbNext for a full year duration in 2020 compared with only 4 months in 2019. In addition, the tenant has also taken up an additional floor starting in September 2020. With that, the total area leased to them is approximately 23,700 square feet which is about 87% of net lettable area in Wisma JcbNext. The Group retains approximately 13% of Wisma JcbNext for its own use.

In terms of services, the Group derives revenue predominantly through its subsidiary in Japan which provides contract staffing consulting services on a small scale. The Group did not invest to expand the automotive classifieds and advertising services business via the Autoworld website in 2020 but nevertheless, the Group continued to update the website with automotive related content. Total revenue from the provision of services in 2020 fell 63.1% yoy to RM0.37 million compared with RM1.01 million in 2019 due to the challenging environment arising from the COVID-19 pandemic in 2020.

The Group's operating expenses in 2020 amounted to RM6.27 million, an increase of 13.7% compared with the previous year's operating expenses of RM5.52 million. The increase in staff costs from RM2.56 million in 2019 to RM2.98 million in 2020 was due to an average base salary increment of 5% for staff below senior management level and 0% for senior management, a small increase in headcount and the reversal of bonus provisions that had lowered staff costs in 2019. Other operating expenses had increased by 24.5% to RM2.53 million in 2020 compared with RM2.03 million in 2019. Included in other operating expenses are foreign exchange gains or losses. In 2019, other operating expenses included foreign exchange gains of RM0.27 million but in 2020, it was a loss of RM0.24 million. This was the primary reason for the apparent increase in other operating expenses. Looking into the individual components, the increase in utilities was due to the occupancy by tenants in Wisma JcbNext for a full year compared with only 4 months in 2019. Due to the restrictions in movement and travel in 2020, travelling expense decreased consequently. The slight increase in miscellaneous expense was mainly due to unrecoverable taxes deducted at source attributable to our subsidiary in India that was written off during the year.

Further breakdown of the Group's other operating expenses is as follows:

Group	**2020** **RM**	**2019** **RM**
Net foreign exchange losses/(gains)	241,179	(274,264)
Professional fees	772,828	990,751
Directors' fees	288,000	255,000
Office expenses	235,485	195,822
Security costs	148,977	128,268
Utilities	234,042	99,080
Staff benefits	135,757	137,792
Quit rent and assessments	66,733	61,171
Travelling	15,008	123,052
Telecommunication	31,828	36,714
Insurance	38,176	38,828
Miscellaneous	318,442	237,879
	2,526,455	2,030,093

The Group continued to rely a great deal on our associates, primarily 104 Corporation, to contribute to the Group's earnings in 2020. To recap, 104 Corporation is principally involved in the online job portal business and also provides executive search and HR consultancy services in Taiwan. 104 Corporation is listed on the Taiwan Stock Exchange since 2006. Our share of profit from 104 Corporation in 2020 had decreased slightly to RM8.49 million compared with RM8.82 million in the preceding year mainly due to the impact of the COVID-19 pandemic on Taiwan industries especially in the second quarter of 2020 which resulted in some companies deferring hiring activities and this in turn negatively impacted 104 Corporation's revenue. However, this set back proved temporary as the Taiwanese economy roared back to life as it benefited from the strong demand for tech products globally as well as a relatively successful containment of the pandemic. Lockdowns imposed across the globe forced a greater number of people to work and study remotely. That in turn boosted demand for electronic products such as laptops. As the dominant leader of the global semiconductor industry, Taiwan was the fastest growing economy in Asia in 2020, growing 3.11% in contrast with the fate of many other countries as the COVID-19 pandemic slammed the brakes on economic activities. Under the aforementioned circumstances, 104 Corporation's revenue in 2020 had remained flat at NT$1.63 billion compared with NT$1.64 billion in 2019 while its profit before taxation had decreased by 9.9% to NT$302.51 million compared with NT$335.93 million in 2019 mainly due to a 1.3% increase in operating expenses primarily from higher staff costs as the company continued to invest in developing new products and services. Net profit attributable to shareholders similarly decreased by 9.5% to NT$258.74 million compared with NT$286.00 million a year ago. The balance sheet of 104 Corporation remains solid with cash holdings of NT$2.24 billion at the end of 2020. 104 Corporation has recently announced a dividend of NT$7.80 per ordinary share representing 100% of their net profit attributable to shareholders for the 2020 financial year, which will be paid out after the company's Annual General Meeting ("AGM") on 27 May 2021.

Our other associate, Innity Corporation Berhad ("Innity"), is principally involved in the provision of technology-based online advertising solutions, to their customers in the Asia Pacific region, using in-house developed technology platforms. Innity's role in the online advertising process is to serve as a one-stop centre for advertisers and advertising agencies in offering the 3 major functions of the online advertising process, namely Creative, Media and Research. In essence, the group assumes the role of the advertising agency, creative agency, media agency and researcher. Innity is a listed company since 2008 and currently its shares are traded on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The group has an established presence in Malaysia, Hong Kong/ China, Indonesia, Philippines, Singapore, Taiwan, Thailand, South Korea, Myanmar, Cambodia and Vietnam. During 2020, most of the governments in countries where Innity has a presence, invoked full lock down or circuit breaker measures in their bid to contain the spread of the virus and to "flatten the curve" of new cases. As a result, Innity's business was disrupted in Q1 and Q2 of 2020. Business gradually recovered in Q3 and Q4 attributable to the change in consumer habits from offline to online. Consumers adapted to the new norm of staying indoors during the pandemic. It was also during this time that the company undertook various cost-effective measures to optimise the group's performance through cost control, developing new products, improving risk management and internal control procedures so as to minimise losses and improve the group's cashflow. Innity posted a loss for the Financial Year 2020 ("FY2020") and our share of that loss amounted to RM0.07 million, which contrasts with the share of profit amounting to RM0.26 million in the preceding year. Innity's revenue fell 12.1% yoy to RM103.03 million compared with RM117.19 million in 2019. The decrease in revenue was mainly from its operations in Hong Kong/ China and Indonesia while its operations in Vietnam and Cambodia continued to register yoy growth in revenues. In tandem with the decrease in revenue, Innity recorded a loss after tax of RM1.32 million compared with profit after tax of RM1.39 million in Financial Year 2019 ("FY2019"). The decline in revenue and loss after tax were due to the negative impact of the pandemic on business confidence which resulted in advertisers adopting a cautious stance in their spending and advertising campaign commitments. The group's loss was mitigated by COVID-19 government support grants awarded to its Singapore, Hong Kong and Taiwan business units, gain on disposal of an associate company and lower share of losses from its associates.

Overall, net profit attributable to shareholders for 2020 fell 37.4% to RM6.45 million from RM10.31 million in 2019. As highlighted earlier, this was primarily due to the decrease in interest income, investment distribution income, dividend income and share of profits from equity-accounted associates. As 2020 had indicated, the Group's financial performance is sensitive to macroeconomic factors and dependent on the performance of its associates. Earnings per share amounted to approximately 4.80 sen per share. The Board has recommended the payment of a final dividend of 3.0 sen per ordinary share to be paid after the forthcoming AGM.

Our financial position remains strong with net assets attributable to shareholders of RM323.60 million as at 31 December 2020, down slightly from RM325.82 million at the end of the previous year. On a per share basis, this translates to RM2.41 per share with the Company's share quoted at a price of RM1.40 as at 31 December 2020.

OVERVIEW OF INVESTMENTS AND CASH RESERVES

The Group's investments and cash reserves comprise of:

Group	**2020 RM**	**2019 RM**
Investments in associates		
- 104 Corporation	112,733,330	108,505,800
- Innity	12,358,134	12,439,438
	125,091,464	120,945,238
Financial assets at fair value through other comprehensive income		
- Lion Rock	22,506,275	34,200,967
- Nova Pharma Solutions Berhad	3,661,972	4,929,578
- Hastings Technology Metal	11,865,538	7,305,412
- Banking and financial services	3,701,674	-
- Other quoted investments	3,842,294	676,620
- Unquoted investments (Atomico IV)	4,638,039	3,005,558
	50,215,792	50,118,135
Financial assets at fair value through profit or loss		
- Money market unit trust funds	44,242,390	55,896,225
Cash reserves		
- USD	14,727,696	16,590,148
- HKD	538,285	16,547
- SGD	34,044,384	32,685,065
- RM	37,013,247	30,880,178
- Others	315,537	458,853
	86,639,149	80,630,791
	306,188,795	307,590,389

The performance of the Group's associates has already been detailed in the previous section of this report. The carrying value of the investments in associates on the Group's balance sheet increased by 3.4% in 2020 to RM125.09 million. Against the Taiwan dollar, the Ringgit had weakened from TWD1:RM0.1364 as at end 2019 to TWD1:RM0.1430 as at end 2020 and this contributed to an increase of RM5.19 million in the carrying value of 104 Corporation on our balance sheet. In addition, while the share of profit from 104 Corporation for 2020 amounted to RM8.49 million, the dividend received from 104 Corporation during 2020 based on its 2019 net profit amounted to RM9.37 million. Although it does not benefit the Group's bottom line, the dividend from 104 Corporation provides liquidity for the Group to fund its annual working capital requirement without having to tap into the Group's reserves set aside for future investments. This is apparent from the Group's statements of cash flows for 2020 which shows that the dividends it receives from 104 Corporation, Lion Rock and other investments in quoted securities totalling RM10.61 million being more than sufficient to cover the RM3.60 million working capital utilised in 2020.

The largest investment under the FVOCI category is Lion Rock with a carrying value of RM22.51 million. Lion Rock is principally involved in the provision of printing services to international book publishers, trade, professional and educational conglomerates and print media companies. This is a stock that the Group had accumulated from 2011 to 2013, investing a total of RM2.98 million. Subsequently, in 2014, Cinderella Media Group Ltd, the parent company of Lion Rock at that time of which we had a stake in then, rewarded its shareholders by declaring a dividend-in-specie of its stake in Lion Rock and spinning it off as a separate listed company on the Hong Kong Stock Exchange. As a result of that, the Group's stake in Lion Rock had increased by an additional 36.5 million shares in 2014. At the end of 2020, the Group held an equity interest of approximately 7.0% in Lion Rock. For the financial year ended 31 December 2020, the dividend yield on Lion Rock was 6.3%. During the year, the Group had received RM1.90 million in cash dividends from Lion Rock as well as 3.38 million shares in Left Field Printing Group Limited via a special dividend by way of distribution in specie of shares in Left Field on the basis of 1 Left Field share for every 16 shares of Lion Rock held. At its AGM on 12 May 2021, Lion Rock's shareholders approved a final dividend of HK$0.05 per share. The fair value of the Group's investment in Lion Rock had decreased by 34.2% in 2020 in line with the drop in its share price from HKD1.20 at the end of 2019 to HKD0.80 at the end of 2020.

Lion Rock's revenue for the year ended 31 December 2020 decreased by 14.5% to HK$1,373.5 million from HK$1,607.0 million in the previous year. The decrease was mainly due to reduced orders from overseas customers during the economic uncertainty caused by the COVID-19 pandemic especially during the first half of 2020. Printing plants and bookshops were closed by occasional lockdowns, customers cut back on printing orders due to macroeconomic uncertainty and logistics was impacted by freight capacity crunch. In addition, the China-US trade war has forced publishers to re-examine their supply chain strategy and a number of leading publishing houses have shifted their print orders to non-China print manufacturers particularly in Europe. The competitiveness of China-based printers is also gradually being eroded by the continued appreciation of RMB and the increasing labour and material costs in China.

Lion Rock's net profit for the year attributable to shareholders in 2020 fell 24.9% to HK$104.32 million from HK$138.80 million in the preceding year largely due to the decrease in revenue coupled with an increase in impairment of trade receivables by approximately HK$12.45 million. The shortfall in revenue and increase in impairment of trade receivables were mitigated by an increase in other income by HK$47.57 million to HK$96.41 million mainly due to various government subsidies and rebates received during the year of approximately HK$54.3 million. In addition, share of profit from an associate, namely the Quarto Group, Inc. ("Quarto") increased to HK$8.73 million in 2020 compared with HK$5.06 million in 2019. Although Quarto's revenue was down 6.6% yoy to US$126.88 million due to the impact of lockdowns in the US and US in Q1 which affected retail book sales, its profit after tax rose 58.5% yoy to US$4.57 million as a result of its strategy to publish less but better books and pruning corporate overhead costs including interest expenses.

The trend of publishing houses reshoring their print orders to non-China print manufacturers as mentioned above, underscores the importance of the Lion Rock's strategy to diversify geographically. In addition to the acquisition of the OPUS Group in Australia back in 2014, the group had on 25 February 2020 completed the acquisition of Papercraft Sdn Bhd ("Papercraft"), a Johor-based printing plant. The consolidation of Papercraft was delayed by the COVID-19 movement control order in Malaysia but infrastructure upgrade works has since been re-initiated. The combined operation of Papercraft and C.O.S. Printers Pte Ltd, the group's subsidiary in Singapore, will enable the group to also have a print manufacturing presence in South East Asia.

The next investment that we would like to update on is the Group's investment in Hastings Technology Metals Limited ("Hastings"), an Australian Securities Exchange listed exploration and development company. To recap, the Group had, on 7 August 2019, subscribed for 20,700,000 new shares in Hastings for a total consideration of AUD3,519,000 (equivalent to RM10.14 million based on the exchange rate as at 7 August 2019 of AUD1:RM2.882). The subscription came with one free option for every two shares subscribed and each option is exercisable into one new share at an exercise price of AUD0.25 each. The options will expire on 12 April 2022. As at 31 December 2020, the Group has an equity interest of 1.72% in Hastings (subsequently diluted to 1.19% as at 10 May 2021). We wish to fully disclose that our major controlling shareholder, Mark, has a direct equity interest of 3.40% and a deemed interest of 4.59% in Hastings as at 10 May 2021. The fair value of the Group's investment in Hastings had increased by 62.4% during the year, mainly due to the rise in its share price from AUD0.115 at the end of 2019 to AUD0.17 at the end of 2020 and the strengthening of the Australian dollar against the Ringgit by 7.8% in 2020.

Hastings is currently developing the Yangibana Rare Earths Project ("Yangibana Project") in an area covering approximately 650 square kilometres located some 250 kilometres from Carnavon in Western Australia. Mining leases granted are for 50 square kilometres over 21 years. The Yangibana Project involves development, construction, mining and processing operations to produce Mixed Rare Earth Carbonate ("MREC") with high concentrations of Neodymium (Nd) and Praseodymium (Pr). These elements are essential raw materials used in the production of permanent magnets, critical in many high-tech products including electric vehicles, renewable energy wind turbines, robots, medical applications and others. Hastings aim to become the next significant producer of Neodymium and Praseodymium outside of China. The project's total capital expenditure inclusive of contingencies is projected to be in the region of AUD516 million. On 20 April 2021, Hastings announced the signing of a major offtake contract with Thyssenkrupp Materials Trading GmbH for the supply of 9,000 tonnes per annum of MREC for the first 5 years and 5,000 tonnes per annum for the second 5 years, totalling 70,000 tonnes over a 10-year period. The committed volume represents 60% of Hasting's annual Yangibana production volume for the first 5 years and 33% for the second 5 years. This contract is in addition to the offtake contracts signed with Schaeffler Technologies AG in June 2020 and Sky Rock Rare Earth New Materials Co Ltd in November 2018 for the supply of 5,000 and 2,500 tonnes of MREC per annum respectively.

Hastings intend to secure debt financing through a German government sponsored scheme for up to USD140 million which is conditional upon the signing of the Schaeffler offtake contract. The other major source of financing is an Australian government funded agency that is interested to fund a large part of the project's infrastructure cost. The group had also received confirmation of in-principle eligibility from Finnvera Plc for project financing of up to AUD94 million. Pending the finalisation of these debt financing, Hastings has on 22 February 2021 received commitments to raise approximately AUD100.7 million through a two tranche share placement of approximately 530 million shares at AUD0.19 per share and on 7 April 2021, it announced the entry of L1 Capital Pty Ltd, a global investment manager with a track record of investments in natural resources, as a new substantial shareholder. Hastings intends to commence early infrastructure activities at the Yangibana mine site in the 3rd quarter of 2021.

The Group invested RM2 million in Nova Pharma Solutions Berhad ("Nova Pharma") on 29 December 2017. Nova Pharma was listed on the LEAP Market of Bursa Securities on 9 March 2018. Nova Pharma is principally involved in the provision of engineering solutions for the pharmaceutical and biotechnology industries focusing on the initial design and building phase of pharmaceutical and/or biotechnology plants. The engineering solutions provided by the company range from pre-design (feasibility study and site selection) to design (conceptual design, basic design and detailed design) to post-design (tendering, procurement and site supervision) to other supporting activities (GMP documents review and gap analysis and assessment). Some of the pharmaceutical and biotechnology plants that Nova Pharma has been involved in include oral solid dosage, biopharmaceutical manufacturing, vaccine filling and finishing as well as ophthalmic manufacturing. The company's principal markets are in Malaysia and Taiwan. For the year ended 31 December 2020, Nova Pharma reported unaudited revenue of RM4.24 million, representing a decrease of 32.7% from the previous year's revenue of RM6.30 million. This was mainly due to the closure of international borders which negatively impacted revenue contribution from biotechnology industry as most biotechnology projects are from Taiwan. Revenue contribution from the biotechnology sector and Taiwan market fell 47.6% and 50.0% yoy respectively in 2020. Nova Pharma reported unaudited loss after tax of RM0.73 million in 2020 compared with a profit after tax of RM1.12 million in 2019. Apart from the decrease in revenue, the loss was also due to higher operating costs incurred for its subsidiary which was only incorporated in June 2019. As at end of 2020, the Group held an equity interest of 9.45% in Nova Pharma. Nova Pharma has declared an interim dividend of RM0.002 per share in December 2019 in respect of FY2019 of which the Group received approximately RM28,000 in January 2020. No dividends have been proposed or declared in respect of FY2020.

Atomico IV is a private equity fund managed by Atomico. Founded in 2006 by Niklas Zennström, a serial entrepreneur who co-founded Skype and Kazaa, Atomico is a venture capital investment firm headquartered in London that manages funds which invest in the artificial intelligence and machine learning, climate technology, communication, financial technology, gaming, health-tech, SaaS, industry, mobility, consumer products and consumer services sectors. By 2020, the firm has already backed 11 companies past a USD1 billion valuation, known as unicorn status. 2020 was also the year that tech became undeniably essential. The COVID-19 pandemic transformed our lives – and made us more reliant on tech than ever before. One of the broadest effects has been an acceleration of technology adoption at work and at home. This adoption acceleration was driven by the needs of people in lockdown and the pivot by many companies to working virtually. Some of the 2020 winners in the tech industry are e-commerce sites, online streaming services, online communication platforms and food delivery companies. Atomico IV is Atomico's fourth fund that was formed in 2015 and closed in 2017 with a size of USD765 million. The fund, which has a term of 10 years, invests in European startups from Series A on that have global potential. The Group participated in Atomico IV in 2016 with a relatively small commitment of USD500,000 of which approximately USD399,000 has been called and disbursed to the fund as at 31 December 2020 (approximately USD23,000 was disbursed in 2020). The fair value of the Group's investment in Atomico IV at the end of 2020 amounted to RM4.64 million, up 54.3% yoy from RM3.01 million in 2019.

During the year, the Group invested RM6.39 million (2019: RM0.68 million) into stocks of 10 listed companies operating in a range of industries. For ease of reference, this portfolio of stocks acquired in 2019 and 2020 (excludes Lion Rock, Hastings, Nova Pharma and the associates) will hereinafter be referred to as the Equity Portfolio. These companies are listed in Malaysia, Hong Kong and Australia. The single largest investment in this portfolio is RM1.66 million. These investments as well as other targets emanated from research conducted internally in line with the Group's investment objectives and are reviewed and approved by the Investment Committee and Board of Directors respectively. Should the prices of these stocks move within our target buy prices, we will be looking to further increase our investments in these stocks as well as to acquire other target stocks on our buy-list. This portfolio generated just approximately RM98,000 in dividends for the Group in FY2020 as a substantial portion of this portfolio was only acquired in the last 4 months of the year and some of these companies have reduced or did not declare any dividends altogether due to the impact of the COVID-19 pandemic on their businesses. As at 31 December 2020, the fair value of this portfolio amounted to RM7.54 million. To prevent any risk of front-running, the identities of the component stocks will be kept confidential save for any laws or regulations that require the Group to provide full disclosure.

Looking at the table below, the fair value of the Group's investments in securities and funds including its listed associates as at 31 December 2020 are significantly above the Group's cost of investment. The unrealised gains, with the exception of 104 Corporation and Innity, have been recognised in Other Comprehensive Income ("OCI") at this stage. Pursuant to the MFRS 9 – *Financial Instruments*, the Group has elected to classify its equity investments as fair value through other comprehensive income ("FVOCI") where fair value changes on the Group's equity investments will continue to be presented in OCI but any cumulative gain or loss in OCI will be directly transferred to retained earnings upon the sale of the equity investments. The unrealised gains on 104 Corporation and Innity, as associates, have not been recognised at all.

	Cost of Investment RM	**Carrying Value RM**	**Fair Value RM**
104 Corporation^	75,256,303	112,733,330	172,937,765
Innity^	8,487,984	12,358,134	11,261,265
Lion Rock	17,799,453	22,506,275	22,506,275
Nova Pharma	2,000,000	3,661,972	3,661,972
Hastings	10,141,758	11,865,538	11,865,538
Equity Portfolio	7,065,395	7,543,968	7,543,968
Atomico IV	1,655,170	4,638,040	4,638,040
	122,406,063	175,307,257	234,414,823

^ Accounted for using the equity method pursuant to MFRS 128, *Investments in Associates and Joint Ventures*

The Group's treasury management objectives are to ensure there is available liquidity when needed and to preserve our long-term purchasing power to acquire investments. In that respect, the Group has decided that the main currencies that it will maintain are MYR, USD and SGD. While the Group will not convert existing MYR holdings into USD or SGD, a portion of any future foreign currency cash inflows such as dividends from 104 Corporation and Lion Rock will likely be converted into USD and SGD and deposited into interest bearing accounts. Although this may result in volatility in our P&L as seen in our 2016 and 2017 results, the Group does not intend to actively manage or trade currency positions nor engage in any speculative activities. The need to preserve our purchasing power came to the fore in late March 2020 when the Ringgit weakened to RM4.44 to the dollar in tandem with the fall in oil prices. The Group's MYR holdings are placed in interest bearing bank deposits and money market unit trust funds. Towards the end of 2018, the government of Malaysia announced the abolishment of tax exemption on interest income earned by wholesale money market funds. To maximise yields, the Group transferred funds placed with wholesale money market funds into fixed deposits and retail money market funds. On 17 April 2020, the Ministry of Finance had announced the extension of the tax-exempt status of retail money market funds to 1 July 2021.

At the May 2019 policy meeting, Bank Negara had cut the Overnight Policy Rate ("OPR") by 25 basis points ("bps") to 3.00%. During FY 2020, Bank Negara cut OPR by another four times: 25bps to 2.75% in January, 25bps to 2.50% in March, 50bps to 2.00% in May and a further 25bps to 1.75% in July to cushion the economic impact of the pandemic on businesses and households and support the improvement in economic activity. These monetary policy actions by the central bank will mean lower yields on the Group's Ringgit holdings in 2020 and possibly beyond.

While the Group manages its treasury function conservatively to safeguard the Group's interests, the focus of the Board and management is still on identifying new strategic investments and/or developing a broad portfolio of investments which can contribute to the future growth of the Group. To be able to capitalise on any opportunities as and when they arise without sacrificing unduly on the Group's returns on its reserves, the Group will need to maintain an appropriate mix of long and short-term investments and cash.

FUTURE PLANS AND PROSPECTS

The COVID-19 pandemic has not ended at the time of writing. But hopes are high for an end to this crisis sooner than later as countries worldwide race to inoculate their populations against the virus. It would be unrealistic to expect the virus to be eradicated any time soon. Perhaps a more realistic target is for the pandemic to become an endemic much like all other diseases and viruses. The vaccination roll-out has only begun in earnest at the turn of the year and it will take time to vaccinate over 6 billion people on planet earth and such a massive endeavour is not helped by delays in vaccine supply and widespread (but perhaps unwarranted) fears over the safety of the vaccines. In the meantime, we should not be complacent and let our guard down. It would be premature to declare victory over the pandemic as India has shown recently. Even as the vaccination exercise is underway, there is no guarantee that further waves of infections will not happen, potentially triggering fresh lockdowns and restrictions in economic activities. The prognosis is made gloomier as the threat of mutations and the emergence of new variants continue to overshadow progress on the vaccination front.

As such, high uncertainty surrounds the global economic outlook and the path of the economy will depend significantly on the course of the virus. After an estimated contraction of -3.3% in 2020, the International Monetary Fund has projected the global economy to grow at 6% in 2021 fuelled by the anticipated vaccine-powered recovery in the second half of the year. However, future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. GDP reports for the first quarter of 2021 are mixed, although mostly positive. An advance GDP report showed the US economy expanding 6.4% yoy in the first quarter, reflecting continued economic recovery, reopening of establishments and continued government response related to the pandemic. China posted its strongest quarterly growth on record as the world's second largest economy continued its robust recovery from the pandemic. Its GDP growth of 18.3% yoy in the 1st quarter was the strongest since China began keeping records in 1992. Taiwan's Q1 GDP grew 8.16% yoy, its strongest growth in more than a decade, as the work from home boom sparked strong global demand for the island's hi-tech exports while Hong Kong's Q1 GDP grew 7.9% yoy driven by recovery of its exports. On a lesser but similar trajectory, Singapore's Q1 GDP expanded 0.2% yoy and South Korea by 1.8% yoy. It is a different story in Europe though. The eurozone slid into a double-dip recession in Q1 with a contraction of 0.6% quarter-on-quarter as output dropped under the weight of lockdown measures, leaving the bloc lagging behind the other major economies. Much of Europe was subjected to varying levels of lockdown in Q1 to contain a third wave of COVID-19 infections.

Despite the doom and gloom of the COVID-19 pandemic, 2020 was mostly a positive year for investors, the initial market shocks aside. In March, global stocks suffered one of the quickest declines on record, but broadly recovered and hit new highs by year-end. Global stocks as measured by the MSCI World Index climbed 14% in 2020, and in the process posted 2 consecutive years of double-digit gains after 2019's 24%. The market recovery and subsequent rally was led by tech stocks as lockdowns and work-from-home trends increased the demand for tech products and services. This was against a backdrop of low interest rates, significant fiscal stimulus measures and rapid development of vaccines in the 2nd half of the year. 4 months into 2021, all three of the most closely watched bellwether US indices – S&P 500, Dow Jones Industrial Average and Nasdaq Composite – are now either near or at fresh record-high levels. Reasons underpinning the bull market are the accommodative monetary policies, massive fiscal stimulus packages and excitement over the reopening of economies with vaccinations. At its April 2021 meeting, the US Federal Open Market Committee voted to keep interest rates near zero and to continue buying at least USD120 billion in bonds each month and that any future change in this policy will be based on actual outcome, not forecasts or projections. The market rally is also in anticipation of companies reporting earnings growth for Q1 and general expectation of vaccine powered economy recovery as evidenced by rising US Treasury bond yields.

The local stock market has outperformed its neighbouring bourses with its benchmark index ending the year in the positive zone, except for Vietnam. The FBM KLCI gained 2.9% yoy to reach pre-pandemic levels of 1,627.21 points on December 31 after the index sank to a 10-year low of 1,207 points on March 19. What tech stocks did for the US markets, glove stocks like Top Glove and Supermax did the same for the KLCI. Economic stimulus measures such as loan repayment moratorium had also put extra money into the pockets of consumers which contributed to the stock market's good performance in 2020. 4 months into 2021, the FBM KLCI has decreased about 19 points or 1.15% amid rising new COVID-19 cases, corrections to glove counters, political uncertainties and rising US Treasury yields while certain recovery stocks started to appreciate.

COVID-19 has not changed our strategy which is to develop a broad portfolio of long-term investments that can generate dividend income at targeted yields which in return can be paid onwards to our shareholders. It would seem that the Company would have done well by now had it invested a substantial portion of its cash into stocks last year but hindsight is 20/20. What we had done in 2020 was to invest RM6.39 million into the stocks of 11 listed companies operating in a range of industries whose products and services we believe will do well past the current pandemic. The acquisitions continued into 2021 with another RM6.30 million invested up to the end of April and we will continue to look for high quality and/or undervalued companies despite the prevailing market conditions.

History has shown that equities have almost always recouped all lost ground over the long term and short-term stock price volatility will be smoothened out over time. We take comfort in what history is telling us and we will not worry whether the stock markets will fall. It will at some point fall or even crash but in general, equities perform relatively well over time. Indeed, not all companies will succeed. Some will perform poorly and others may even fail and disappear and this is why we try to build a diversified portfolio made up of stocks selected based on strong fundamentals.

The path ahead is by no means certain. While the vaccine rollout provides hope, it cannot be said yet that we are completely out of the woods. The recent spike in COVID-19 cases in India, Europe and even Malaysia, demonstrates the unpredictable nature of the pandemic. On a brighter note, countries such as the US and UK are recording a marked reduction in daily new cases with the acceleration in their vaccination rollout plans. Yet for the rest of the world, there remains risk of delays in vaccination distribution, adoption or efficacy which could derail economic recovery. Premature monetary or fiscal policy tightening in major economies such as tapering of bond purchases in respond to rising inflation, could slow the recovery and deal a setback to the stock markets. Lingering structural economic impacts from the 2020 crisis and recession could also slow the economic rebound. Continued easy fiscal and monetary policy coupled with pandemic support programmes could also result in a drag on productivity and growth from so called “zombie” companies, defined as those with income insufficient to cover debt payments. While crisis aid has kept bankruptcies low, central banks and governments will face a huge task when they decide to reduce and eventually take out their support which may see insolvencies rise especially among such “zombie” companies and this in turn could lead to a recession. The on-going US-China trade war and escalation of geopolitical tensions in the Middle East and the Straits of Taiwan could also hamper the vaccine-powered economic recovery and increase stock market volatility. Rising sovereign debt exacerbated by the pandemic could also potentially lead to a debt crisis especially in emerging and developing countries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is fully committed to developing and maintaining high standards of corporate governance by implementing the principles and recommendations of the Malaysian Code of Corporate Governance ("MCCG"). It recognises that the principles of good corporate governance and business integrity are fundamental to the goals of enhancing shareholder value and protecting the interests of all stakeholders.

The Board is pleased to report to shareholders, the Company's application of the following three key principles of the MCCG during the financial year ended 31 December 2020:

Principle A   Board leadership and effectiveness;
Principle B   Effective audit and risk management; and
Principle C   Integrity in corporate reporting and meaningful relationship with stakeholders.

In line with the requirements of the MCCG, the Group has provided clear and forthcoming explanations for departures from the Practices in the Corporate Governance Report. With regards to departure in Practices, the Board has provided disclosures on the alternative measures in place which will achieve similar outcomes of those Intended Outcomes of the MCCG. The application of each Practice, explanations on the departures, supplemented with disclosure on the alternative practices are contained in the Corporate Governance Report which can be found on the Group's website at www.jcbnext.com as well as via an announcement on the website of Bursa Securities.

A. BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

The Board is responsible for establishing the Group's goals and strategic plans, setting targets for Senior Management and monitoring the achievement of those goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Group's website at www.jcbnext.com. The Board Charter further defines the roles and responsibilities of the Chairman, Chief Executive Officer ("CEO") and various Board Committees.

The Board assumes the following specific duties and responsibilities:

a) Ensure that the strategic plan of the Group support long-term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability;

b) Review, challenge and decide on management's proposals for the Group and monitor its implementation by management;

c) Overseeing and evaluating the conduct of the Group's businesses;

d) Supervise and assess the Management's performance to determine whether the business is being properly managed;

e) Understand the principal risks of the Group and recognise that business decision involve the taking of appropriate risk;

f) Establishing a succession plan including appointing, training, fixing the compensation of and where appropriate, replacing Executive Directors and Senior Management;

g) Ensure senior management has the necessary skills and experience and there are measures in place to provide for the orderly succession of board and senior management;

h) Developing and implementing an investors relations programme or shareholder communication policy;

i) Ensure there is a sound framework for internal controls and risk management;

j) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

k) Set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

l) Together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;

m) Strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems;

n) Ensure the Group has in place procedures to enable effective communication with stakeholders;

o) Ensure the integrity of the Group's financial and non-financial reporting;

p) Supervise, monitor and manage the receiving of information/complaints on misconducts of corruption, abuse of power and malpractice, as well as violation of the Code of Business Conduct and Ethics in the Group;

q) Ensure action is taken on information/complaints on corruption, abuse of power and malpractice;

r) Detecting and verifying information related to corruption, abuse of power, malpractice as well as violation of code of conduct and ethics in the Group;

s) Plan, implement and coordinate integrity strengthening programs to enhance the practice of good values, ethics and integrity in the Group; and

t) Periodically review the Group's policies and procedures including but not limited to the Anti-Bribery and Corruption Policy to ensure that they continue to be relevant and adequate to manage the issues of corruption, fraud, bribery, malpractice and unethical conduct within the Group.

The Board reserves full decision-making powers on the following matters:

a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;

b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;

c) Strategic investments, mergers and acquisitions and corporate exercises;

d) Authority levels;

e) Treasury policies;

f) Risk management policies; and

g) Key human resource issues.

Board Charter

The Board has formalised a Board Charter which serves as a source of reference for Directors. This Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Senior Management with regards to the role of the Board and its committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as the Board's processes and procedures. The Board periodically reviews and updates the Board Charter where appropriate. The Board Charter is published on the Group's website at www.jcbnext.com.

Clear Functions of the Board and Senior Management

The Board is responsible for the overall performance of the Group by setting goals, policies and targets while Senior Management, led by the CEO, is responsible for managing the day to day running of the Group's business activities as well as the implementation of Board policies and decisions. For the avoidance of doubt, the Board Charter which can be found on the Group's website at www.jcbnext.com, contains a section identifying matters reserved for the decision of the Board.

The Board delegates certain responsibilities to the Board Committees to assist in the discharge of its responsibilities. The role of Board Committees is to advise and make recommendations to the Board. Standing committees of the Board include the Nomination Committee, the Audit and Risk Committee (please refer to the Audit and Risk Committee Report set out on pages 42 to 44 of this Annual Report), the Remuneration Committee and the Investment Committee.

Chairman and CEO

The Chairman and CEO roles are undertaken by separate persons. The Chairman role is helmed by Datuk Ali bin Abdul Kadir, a Non-Independent Non-Executive Director. The responsibilities of the Chairman and the CEO are clearly divided in accordance with the requirements of the MCCG. Datuk Ali, as the Chairman, is responsible for running the Board and ensuring that all Directors receive sufficient information to enable them to participate actively in Board decisions. Datuk Ali is also the Senior Non-Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors. Executive management is led by Mark who as the CEO is responsible for the day to day management of the business as well as the implementation of Board policies and decisions. Mark resigned as the CEO on 31 December 2020 and he is succeeded by Lionel Liong who was appointed as the Acting CEO effective from 1 January 2021.

Code of Ethics

The Board has adopted and implemented a Code of Ethics for Directors of the Company and its subsidiaries ("Code of Ethics") which can be found on the Group's website at www.jcbnext.com. The Code of Ethics is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

The Code of Ethics establishes a standard of ethical behaviour for Directors based on acceptable belief and values. It also includes guidance on relationship with shareholders, employees, creditors and customers and the standard of conduct with regards to social responsibilities and the environment.

The Board further acknowledges its role in establishing a corporate culture comprising ethical conduct within the Group. Senior Management and employees are guided by policies on acceptable conduct and ethics as contained in the Group's Code of Business Conduct and Ethics and employee handbook.

To enhance corporate governance practices across the Group, a Whistle-Blowing Policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimization, harassment or subsequent discrimination. The Whistle-Blowing Policy can be found on the Group's website at www.jcbnext.com. Any person who wishes to report a suspected impropriety may submit his/her report to the Audit and Risk Committee via jcbwhistle@gmail.com. This is a secure email address accessible only by the Audit and Risk Committee members. During the year under review, there were no cases reported to the Audit and Risk Committee.

In line with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which came into force on 1 June 2020, the Board has adopted an Anti-Bribery and Corruption Policy which sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

Promote Sustainability

The Board is aware of the importance of business sustainability and ensures that there is a plan for promoting sustainability in the development of the Group's strategies, by balancing the environmental, social and governance aspects of business with the expectations of its various stakeholders. The need to promote sustainability is enshrined in the Board Charter. More details of the Group's efforts in incorporating sustainability in its business operations can be found in the Sustainability Statement on pages 39 to 41 of the Annual Report.

Access to Information and Advice

Directors receive a set of Board papers at least one week prior to each Board meeting. This is to enable the Board to study matters to be discussed and obtain further explanations, where necessary, before the meeting. Directors also have full access, whether as full Board or in their individual capacity, to all information and Senior Management within the Group including that relating to financial, operational and technology matters.

As provided in the Board Charter, Directors are entitled to obtain independent professional advice, whether as full Board or in their individual capacity, where necessary, in the furtherance of their duties and at the Group's expense. The procedure to seek the Board's approval for such independent professional advice is specified in the Board Charter.

Qualified and Competent Company Secretaries

The Board has direct access to the advice and the services of the Company Secretaries who are responsible for ensuring that Board procedures are followed. The Board is satisfied that the current Company Secretaries are suitably qualified and competent to carry out their duties to ensure effective functioning of the Board. The removal and appointment of a successor, as permitted under their terms of appointment, is a matter for the Board to decide. The Company Secretaries ensures that all Board meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and maintained in the statutory register at the registered office of the Company.

Board Composition

The Board consists of four (4) members, comprising one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. A brief profile of each Director is presented on pages 5 to 6 of this Annual Report. Collectively, the Board members provide an effective Board with a mix of industry-specific knowledge and broad business, financial, regulatory and technical experience. Furthermore, there is effective check and balance on the Board, with all of the Board members being Non-Executive Directors. The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company and provides the appropriate balance and size to govern the Company effectively.

Nomination Committee

The Nomination Committee comprised of the following members:

Chairman	:	Teo Koon Hong *(Independent Non-Executive Director)*
Members	:	Lim Chao Li *(Non-Independent Non-Executive Director)*
		Cindy Eunbyol Ko *(Independent Non-Executive Director)*

The Nomination Committee consists entirely of Non-Executive Directors with the majority being independent. The Committee assists the Board, amongst others, in ensuring that the Board comprises Directors with the appropriate mix of skills and experience, as well as to ensure a proper balance between Executive Directors and Independent Non-Executive Directors. The terms of reference of the Nomination Committee is available on the Group's website at www.jcbnext.com.

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The Clauses also provide that at least one-third of the Board is subject to re-election at regular intervals and at least once in every three years.

The Nomination Committee recommended to the Board on the endorsement of the retiring Director, Mr. Lim Chao Li, for re-election at the forthcoming Seventeenth Annual General Meeting ("AGM") pursuant to Clause 96 of the Constitution of the Company.

During the financial year under review, three (3) meetings were held which was attended by all its members.

A summary of activities undertaken by the Nomination Committee during the financial year are as follows:

(i) Reviewed and assessed the performance, effectiveness, mix of skills and experiences of the Board and the respective Board Committees as a whole and the respective contributions of each individual Director for the year 2019;
(ii) Proposed to recommend to the Board the re-election of Directors who would be due to retire at the next AGM;
(iii) Reviewed the training undertaken by individual Directors;
(iv) Reviewed and assessed the independence of Independent Directors and their tenure of service;
(v) Reviewed and assessed the term of office and performance of the Audit and Risk Committee and its members;
(vi) Assessed the level of independence of Mr. Teo Koon Hong as an Independent Non-Executive Director of the Company*;
(vii) Reviewed the resignation of Mark as CEO of the Company; and
(viii) Evaluated and recommended to the Board of Directors for approval on the proposed nomination of Lionel Liong as Mark's successor.

* Mr. Teo Koon Hong had requested for a thorough review of his independence as an Independent Non-Executive Director of the Company in view of his appointment as a director and investment manager in Little Rain Pte Ltd which provides fund management services to Mark's family office. After due discussion, the Nomination Committee concluded that Mr. Teo still fulfills the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and reported their findings to the Board. Mr. Teo had abstained from the deliberations and recommendation of the Nomination Committee on the said matter.

Criteria for recruitment and assessment

The Nomination Committee identifies and recommends to the Board suitable candidates for appointment to the Board and Board Committees. In recommending candidates whether men or women for appointment to the Board, the Nomination Committee assesses the candidates' background, experience, competencies, existing commitments and the ability to contribute and add diversity (including gender diversity) to the Board. While the Board does not have a specific policy on gender diversity, the Nomination Committee acknowledges the need to promote gender diversity in accordance with Practice 4.5 of the MCCG and has set a target of attaining 20% women directors. This target has been achieved with the appointment of Ms Cindy Eunbyol Ko to the Board in year 2019.

On appointment, Non-Executive Directors are briefed on the Group's business and the competitive environments in which it operates. The Company will also arrange for the newly appointed Director to attend the Mandatory Accreditation Programme.

The Nomination Committee is also responsible for assessing on an annual basis, the effectiveness of the Board, its Committees and the contribution of each individual Director including Independent Non-Executive Directors as well as the CEO.

For Board and Board Committee assessments, the criteria include board structure and operation, relationship with management, roles and responsibilities and the role of the Chairman. The criteria for self-assessment covers areas such as contributions to matters discussed, willingness to probe management and personality traits which contribute to the effectiveness of the Board. The independence of Independent Directors were assessed based on the criteria prescribed in the Listing Requirements, relationship or arrangement with any director, officer or major shareholder, if any, and the involvement of immediate family members with the Group.

All assessments and evaluations carried out by Nomination Committee in the discharge of all its functions are properly documented. The annual assessment of the Board for the financial year ended 31 December 2020 was conducted on 24 February 2021. The Nomination Committee was satisfied that the size, structure and composition of the Board remained appropriate and concluded that the Board and Board Committees generally have a good mix of skills, knowledge, experience and professional qualifications required to contribute positively to the Group and was operating in an effective manner and that each Director continued to make effective contributions to the work of the Board.

Remuneration Committee and Remuneration of Directors and Senior Management

The Remuneration Committee is comprised of the following members:

Chairman	:	Lim Chao Li *(Non-Independent Non-Executive Director)*
Members	:	Teo Koon Hong *(Independent Non-Executive Director)*
		Cindy Eunbyol Ko *(Independent Non-Executive Director)*

The Remuneration Committee consists wholly of Non-Executive Directors. The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as reviewing the remuneration package for Executive Directors and senior management. The policy practiced on Directors' remuneration is to provide the remuneration packages needed to attract, retain and motivate Directors of the quality required to manage the business of the Group and to align the interests of the Directors with those of the shareholders, without paying more than is necessary for this purpose.

None of the Executive Directors participated in any way in determining their individual remuneration. Executive Directors' remuneration is linked to their performance.

The Board as a whole determines the fees for the services of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. In deciding an appropriate level of fees for each Non-Executive Director, the Board will take into consideration the responsibility and time commitments based on the number of expected Board meetings, special meetings and the time required for reading Board and other papers, whether as Independent Directors or otherwise, and the membership and chairmanship of Board Committees.

The Remuneration Committee meets as and when required. For the financial year under review, one (1) meeting was held and was attended by all its members. The Remuneration Committee reviewed and recommended to the Board, the remuneration of the Executive Director and key senior management officers and the fees of the Directors for shareholders' approval at the AGM of the Company.

The Remuneration Policy and Procedure of Directors and Key Senior Management is available on the Group's website at www.jcbnext.com.

The details of the remuneration of the Directors received/ receivable from the Group and the Company for the financial year ended 31 December 2020 are set out below:

	Fees RM	Meeting allowances RM	Total RM
Non-Executive Directors			
Datuk Ali bin Abdul Kadir	67,000	5,000	72,000
Teo Koon Hong	64,000	11,500	75,500
Lim Chao Li	60,000	9,000	69,000
Cindy Eunbyol Ko	60,000	11,500	71,500
Total	**251,000**	**37,000**	**288,000**

The details of the remuneration of Senior Management (comprising salary, bonus and other emoluments) for the financial year ended 31 December 2020 in bands of RM50,000 are set out below:

	Designation	RM
Chang Mun Kee	Chief Executive Officer	600,001-650,000
Wong Siew Hui	Chief Technology Officer	500,001-550,000
Gregory Charles Poarch	Chief Financial Officer	500,001-550,000

Note:
The Group has only 13 employees as at 31 December 2020. Mr. Wong Siew Hui and Mr. Gregory Charles Poarch together with Mr. Chang Mun Kee, form the senior management team. Mr. Chang Mun Kee had resigned as CEO on 31 December 2020.

Independent Directors

The Independent Non-Executive Directors on the Board are of sufficient calibre and experience to bring objectivity, balance and independent judgment to Board decisions. They constitute half of the membership of the Board. This helps to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company to the benefit of all stakeholders.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day running of the Group. They bring an external perspective, constructively challenge and advise on strategic planning, monitor the performance of Senior Management in meeting approved goals and objectives, and monitor the risk profile of the Group's business and the reporting of quarterly business performances.

The Board assesses the independence of the Independent Directors on an annual basis by taking into account the individual Director's ability to exercise independent judgment at all times and based on the criteria set out in the Listing Requirements.

The Nomination Committee noted Practice 4.2 of the MCCG which states that the tenure of an independent director should not exceed a cumulative term of nine years and upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. Practice 4.2 of the MCCG further states that if the Board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval and if the board continues to retain an independent director after the twelveth year, the board should seek shareholders' approval through a two-tier voting process.

Based on the assessment carried out on 24 February 2021 for the financial year ended 31 December 2020, the Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Group.

Time commitment of Directors

Directors are expected to give sufficient time and attention to carry out their responsibilities. The Board charter sets out a policy where a director shall notify the Chairman officially before accepting any new directorships in other companies and the notification shall explain the expectation and an indication of time commitment that will be spent on the new appointments.

Based on the assessment carried out on 24 February 2021 for the financial year ended 31 December 2020, the Board is satisfied with the level of commitment demonstrated by individual Board members.

The Board plans at least four scheduled meetings annually, with additional meetings to be held, as and when necessary. The Board met five (5) times for the financial year ended 31 December 2020 and the summary of attendance at the Board Meetings held is as follows:

	Number of Board Meetings	
Directors	**Held**	**Attended**
Datuk Ali bin Abdul Kadir (Chairman)	5	5
Teo Koon Hong	5	5
Lim Chao Li	5	5
Cindy Eunbyol Ko	5	5

Directors' Training

The Board, via the Nomination Committee, assesses the training needs of its Directors on an ongoing basis, by determining areas that would best strengthen their contribution to the Board.

All Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by Bursatra Sdn Bhd in compliance with the Listing Requirements.

In addition, during the financial year under review, all Directors attended various forums, programmes, workshops and seminars as follows:-

1. Operational Resilience training by Citibank
2. Crisis Management traning by Citibank
3. Enterprise response to COVID-19 briefing by Citibank
4. Anti Money Laundering & Counter Terrorism Financing talk by Citibank
5. Management Conference on Competition Law – Application & Compliance; and Total Rewards – Overview & Perspectives by Enra Group
6. 2020 Outlook seminar by Citibank Private Banking
7. Citi Annual Asia Pacific Investor Conference 2020
8. Citi Private Banking Dialogue webinar with Kevin Rudd
9. PBB In-House Training Talk on Trends and Development in Islamic Finance (conducted by En Nik Shahrizal Sulaiman, Partner, PwC Risk Assurance Services)
10. Webinar on Digital Banking: Why Does It Matter (organised by FIDE FORUM)
11. 1st Distinguished Board Leadership Series Webinar on Covid-19 and Current Economic Reality: Implications for Financial Stability (organised by FIDE FORUM)
12. 2nd Distinguished Board Leadership Webinar on Outthink the Competition: Excelling in a Post COVID-19 World (organised by FIDE FORUM)
13. Banking on Governance, Insuring Sustainability (organised by FIDE FORUM)
14. Webinar: BNM-FIDE FORUM Annual Dialogue with the Governor of BNM (organised by FIDE FORUM)
15. AVPN-CSP workshop on impact investing
16. HBS: Covid-19 as a novel event and risk management framework
17. QA webinar Geer van der Veer of Herenboeren
18. HBS: Structuring the Organizational Response
19. FBNA: Impact Investing Taxonomy
20. IMP: Understanding portfolio impact using impact asset classes
21. TBLI webinar: Impact Investment and Climate Change
22. AVPN Conference: Investing for Impact across your Portfolio

The Directors are also encouraged to attend other training programmes as may be prescribed by Bursa Securities from time to time to enable them to discharge their responsibilities as directors more effectively.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Committee

The Board has established an effective and independent Audit and Risk Committee which comprises of two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director to assist in overseeing the Group's financial reporting process. The Chairman of the Audit and Risk Committee is not the Chairman of the Board to avoid the impairment of objectivity in the Board's review of the Audit and Risk Committee's findings and recommendations. Collectively, the Audit and Risk Committee possesses vast experience and the necessary skills to enable it to discharge its duties effectively. In particular, every member of the Audit and Risk Committee are accountants by profession and are currently or have served in senior finance roles. Their invaluable experience and backgrounds in finance will enable them to understand matters under the purview of the Audit and Risk Committee including the financial reporting process, internal controls, risk management and governance.

The Audit and Risk Committee is positioned to critically assess the Group's financial reporting process, transactions and other financial information, and where necessary, to challenge management's assertions on the Group's financials. To achieve this, the Audit and Risk Committee demonstrates vigilance and professional skepticism towards, among others, detection of any financial anomalies or irregularities in the financial statements and does not hesitate to request further clarification from the management team. Apart from ensuring the financial statements of the Group are drawn up in accordance with regulatory requirements and applicable accounting standards in Malaysia, the Audit and Risk Committee will also ascertain that the financial statements taken as a whole provide a true and fair view of the Group's financial position and performance.

All members of the Audit and Risk Committee are required to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules and regulations. During the financial year under review, members of the ARC attended training programmes on various subject matters such as regulatory, investment, risk management, corporate governance and other business related programmes.

Compliance with applicable financial reporting standards

While the Audit and Risk Committee is tasked to oversee the Group's financial reporting process, ultimate responsibility for the Group's financial reporting process rests with the Board. In presenting the annual audited financial statements and interim financial results, the Board takes responsibility to ensure that these financial statements are drawn up in accordance with regulatory requirements and applicable financial reporting standards in Malaysia.

The Statement by Directors pursuant to Section 251 (2) of the Companies Act 2016 is set out on page 118 of this Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.26 (a) of the Listing Requirements is set out on page 48 of this Annual Report.

Assessment of suitability and independence of External Auditors

The Audit and Risk Committee meets with the External Auditors privately without the presence of Executive Directors and management twice a year and whenever necessary, to exchange independent views on matters which require the Audit and Risk Committee's attention.

The Audit and Risk Committee considered the non-audit services provided by the External Auditors during the financial year ended 31 December 2020 and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity. Please refer to page 47 of the Annual Report for the amount of audit fees and non-audit fees paid or payable to the

External Auditors, including any firm or corporations affiliated to the External Auditors, by the Company and the Group for the year ended 31 December 2020.

The External Auditors have confirmed to the Audit and Risk Committee that they are not aware that their firm, the engagement partner, the engagement quality control reviewer and members of the audit engagement team are not, and have not been, independent for the purpose of the external audit in accordance with the By-Laws of the Malaysian Institute of Accountants.

At the Audit and Risk Committee meeting held on 11 May 2021, the Audit and Risk Committee assessed the suitability and independence of the External Auditors and have recommended to the Board to propose to shareholders at the forthcoming AGM the reappointment of the External Auditors to hold office for the ensuing year.

Risk Management and Internal Control

The Board has overall responsibility of maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing and managing them and to provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Enterprise Risk Management Framework

The Board through the Audit and Risk Committee has adopted the Enterprise Risk Management Framework to have a common strategic and formal approach to risk management so as to improve decision making, enhance outcomes and accoutability. The Enterprise Risk Management Framework sets out the Group’s risk management strategy, risk profile, risk assessment processes, risk communication and action plans. The Enterprise Risk Management Framework as implemented by the Group is in line with *Enterprise Risk Management: Integrating with Strategy and Performance*, an internationally recognised risk management framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

A Risk Management Working Committee assists the Audit and Risk Committee and the Board in identifying, mitigating and monitoring critical risks. The Working Committee is responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages the principal risk exposures by ensuring that necessary steps have been taken to mitigate such risks and recommends actions where necessary. The Working Committee reports to the Audit and Risk Committee on a quarterly basis.

The Statement on Risk Management and Internal Control as set out on pages 45 to 46 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

Internal audit function

The Board acknowledges their responsibility to maintain a system of internal control and risk management. The Board seeks regular assurance on the continuity and effectiveness of the internal control and risk management system through independent review by the Internal Auditors.

During the financial year under review, the internal audit function has been outsourced to PKF Advisory Sdn. Bhd., an external professional firm of consultants who is independent of management and reports directly to the Audit and Risk Committee. The internal audit function provides reasonable assurance that the Group’s system of internal control and risk management is satisfactory and operating effectively. The Internal Auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group’s framework in designing, implementing and monitoring its internal control system.

The activities of the Internal Auditors during the financial year are set out in the Audit and Risk Committee Report on page 44 of the Annual Report.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Corporate disclosure policy and investor relations

The Group strives to maintain its corporate credibility and instil investor confidence in the Group by practising a structured approach in corporate disclosure and investor relations activities. The Group has formalised a Corporate Disclosure and Investor Relations Policy which sets out the principles of communication and disclosure, handling of material and confidential information, step-by-step disclosure process, various mediums of communication approved by the Board and policies and procedures with regards to the handling of material information, confidential information, rumours and reports and forward-looking information.

As part of the Group's investor relations programme, discussions will be held between senior management and analysts/investors throughout the year. When necessary, presentations based on permissible disclosures are made to explain the Group's performance. Price-sensitive information about the Group is, however, not disclosed in these exchanges until after the prescribed announcement to Bursa Securities has been made.

Subsequent to the sale of the online job portal business in 2014, Management has not conducted any of such meetings and instead, relied on the Company's AGM, website, annual and quarterly reports and announcements made to Bursa Securities as the primary means of communicating with shareholders, investors and analysts.

Leverage on information technology for effective dissemination of information

The Group's website, www.jcbnext.com, provides an alternative communications avenue, targeted at presenting an overview of the Group's business, management, operations, governance as well as updates on financial performance not just to shareholders but all other stakeholders comprising jobseekers, customers, employees and members of the public. The website is updated continually. In addition, the Group's website provides a facility for shareholders and stakeholders to register themselves to receive email alerts of new information posted on the website.

Shareholders and investors may also forward their queries to the Company via email to ir@jcbnext.com.

Dialogue with shareholders

The Company's annual and extraordinary general meetings provide a vital platform for both private and institutional shareholders to share viewpoints and acquire information on issues relevant to the Group. At the AGM and EGM, shareholders will be encouraged to raise questions on the resolutions being proposed or on the Group's business operations in general. Although the Company does not have a large number of shareholders, the use of technology to faciliate remote shareholders' participation including voting in absentia has been adopted especially in view of the ongoing COVID-19 pandemic. For the benefit of shareholders who are not able to attend the virtual AGM, a summary of key matters discussed at the AGM will be published on the Group's website at www.jcbnext.com as soon as practicable after the conclusion of the AGM.

Encourage shareholder participation at general meetings

At the previous AGM of the Company held on 17 July 2020, the Company has conducted its first fully virtual AGM and all the Directors were present at the meeting. This is so provided by the Constitution of the Company which allows for General Meetings to be held using any technology or electronic means.

However, due to the restrictions imposed by the Malaysian Government, only essential individuals such as Chairman and Company Secretary were physically present at the broadcast venue while the rest of the Directors and meeting participants participated the meeting remotely.

The Notice of the forthcoming Seventeenth AGM together with the Annual Report will be sent to shareholders at least 28 days prior to the AGM which will be held on 16 June 2021. The Notice of

AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Items of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolutions.

At each meeting, the Board will be obliged to address any questions and concerns raised by shareholders in respect of the matters listed in the Notice of AGM.

Poll voting

Pursuant to Paragraph 8.29A of the Listing Requirements, all resolutions set out in the notice of any general meeting held on or after 1 July 2016 shall be voted by poll. An independent scrutineer shall be appointed to undertake the polling process. In satisfaction of this requirement, all resolutions at the forthcoming AGM shall be voted by poll.

Effective communication and proactive engagement

In maintaining its commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to shareholders as well as the general investing public.

The Company’s investor relations function endeavors to conduct regular dialogues and discussions with fund managers, financial analysts, shareholders and media. These meetings provide these stakeholders with ongoing updates on the Group’s activities to better understand the business and strategic direction of the Group. Subsequent to the sale of the online job portal business in 2014, Management has not conducted any of such meetings and instead, relied on the Company’s AGM, website, annual and quarterly reports and announcements made to Bursa Securities as the primary means of communicating with shareholders, investors and analysts.

SUSTAINABILITY STATEMENT

The Group continues to endorse principles of sustainability in its business operations and corporate activities. We acknowledge the importance of looking after the interest of our stakeholders – our employees, vendors, shareholders, investees, the community at large and the environment. Looking after the interests of certain stakeholders at the expense of others would only bring negative consequences to our business. We operate by the “Do Good, Do Well” principle where we believe success ultimately comes as we conduct ourselves as good corporate citizens and constantly serve the society that we operate in. As we seek to acquire new businesses, we will remain committed to the principles of sustainability and in promoting the adoption of these principles and practices are extended across all business operations of the Group.

To recap, the Group sold its online job portal business to SEEK Asia Investments Pte. Ltd. in 2014. That was a fairly successful business that the Group operated since 1997 and it’s not just from a financial perspective. Jobseekers in the country and in the region have grown accustomed to using the JobStreet.com portal with the hope of securing better jobs and as a result, many of them have had their lives improved over the years. Businesses do not exist in isolation and definitely, they cannot profit at the expense of its stakeholders and the environment and even if they do, such profits will not be sustainable. On the contrary, we have seen how success comes when we put the interest of our stakeholders and society over and above any other consideration.

Subsequent to the sale of the online job portal business and with a workforce of a mere 13 employees at the end of 2020, the Group is of the view that it does not have any significant direct economic, environment and social impacts at this juncture. Going forward, as an investment holding company, we aim to be a responsible capital provider that incorporates sustainability as an important investment criterion when evaluating future investments. We believe this is important, good for our long-term risk-adjusted financial returns and aligned to our stakeholders’ expectations.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors is primarily responsible for setting the sustainability strategy of the Group and ensuring that the Group’s sustainability initiatives are aligned with the Group’s overall business strategy. Critically, the Board sets the tone from the top on the Group’s commitment in embedding sustainability into the Group’s business strategy and operations. The Board is supported by the Audit and Risk Committee, which is responsible to monitor the progress of the implementation of sustainability initiatives based on the directions set by the Board. A Sustainability Working Group, headed by a member of the senior management team, was established at the management-level to plan and implement the sustainability initiatives.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement will contribute towards promoting the Group’s long-term growth and sustainability. We have identified our key stakeholders as the major shareholder, Board of Directors, senior management and employees. We consistently engage with our key stakeholders through multiple channels to gauge their perspectives and feedback. Through this process, we are able to collect information in a timely and accurate manner, which is necessary in ensuring that issues, risks and opportunities are managed and discussed.

MATERIALITY ASSESSMENT

Adopting the definition of materiality as contained in Bursa Securities' Sustainability Reporting Guide, sustainability matters are considered material if they reflect the Group's significant economic, environment and social impacts and substantively influence the assessments and decisions of our stakeholders. In view of the Group's current level of operations, the Group has decided to adopt a simple approach to assess materiality. Our materiality assessment process involves engaging our stakeholders on concerns that are really important to them which are then ranked by the Sustainability Working Group, taking into consideration the limited manpower that the Group currently has and our future direction and plans.

SUSTAINABILITY MATTERS

That being said, based on the three broad areas of sustainability that an organisation's activities have an impact on, the Group has identified the following matters as relevant to its sustainability journey:-

A. ECONOMIC

Indirect economic impact from investment activities

JcbNext's investment activities can provide essential capital that allows entrepreneurs to realise their business plans. When entrepreneurs grow their businesses, they create jobs and contribute to the country's economy. The new products and services created will in turn be used by other businesses to produce other products and services, creating more jobs in the process. It is also the intention of JcbNext to contribute to the development of entrepreneurial talent in the country. We meet companies and entrepreneurs during the course of the year, and where possible, we share our experience and advise the budding entrepreneurs.

B. SOCIAL

Businesses that positively impact society

While JcbNext may not want to limit its investment scope to only companies and businesses that are directly focused on social good (commonly known as Impact Investing), the Group acknowledges that through its investment decisions, it is in a position to encourage a net positive impact on society via funding businesses that give due regard to sustainability. This would, at the same time, entail seeking to avoid businesses that may have a net negative impact on society. The Group's investment policy has incorporated considerations with respect to sustainability in its investment appraisal process and the management and the Board of Directors via the Investment Committee are constantly reviewing and finetuning this investment criteria.

Employee benefits and welfare

JcbNext seeks to be a caring employer. Recognising the rising cost of living, the Company provides transport allowances to our non-managerial staff as well as increasing the limit for outpatient treatment claims and hospitalisation and surgery insurance to levels deemed adequate to cater for most circumstances. In the previous year, the Company extended the coverage of its hospitalisation and surgery insurance to immediate family members of employees. Further, the Company also provides time-off for antenatal check-ups for our female staff. Other employee benefits practiced in the Group include the provision of comprehensive annual health screening for those above 30 years of age, term life insurance for all staff and long service monetary award for long standing staff. In 2019 and the early part of 2020, the Company had looked at ways of promoting a healthy lifestyle among our employees. Some of the initiatives include an office exercise bike and implementing a Eat Healthy programme where the Company subsidises employees to have more vegetables and less carbs for lunch.

As COVID-19 started to spread in early 2020, the Company prioritised the safety and wellbeing of employees by providing hand sanitisers and disinfecting lift buttons and door handles in the office premise on an hourly basis. The Company had also began testing its Work From Home ("WFH") plan in early February and encouraged employees to do so at the beginning of March even before government imposed lockdowns commenced. The Company has been operating fully on WFH basis since then. During this time, monthly staff zoom meetings were organised with the objective of keeping our staff engaged. At a staff zoom meeting recently, the vaccine topic was discussed so that any questions or anxiety over the safety of the vaccines can be addressed as best as we can among ourselves. We feel this is important as we want to play our part to ensure everyone is vaccinated in order for the country to achieve herd immunity as soon as possible.

Anti-Bribery and Corruption Policy

JcbNext is committed to apply the highest standards of ethical conduct and integrity when conducting our business. Every employee and person acting on the Group's behalf is responsible for maintaining our reputation and for conducting the Group's business honestly and professionally. The Group's Anti-Bribery and Corruption Policy was adopted on 25 February 2020. With the adoption of the policy, the Group embraces zero tolerance to bribery and corruption consistent with the Group's business principles. This is also in line with the laws of the Guidelines on Adequate Procedures through Malaysian Anti-Corruption Commission ("MACC") Amendment Act 2018.

C. ENVIRONMENT

Green and eco-friendly practices

We constantly remind our staff to reduce paper usage and print double-sided where possible. With only 13 staff across the Group now, we believe the carbon footprint of our Group in this regard is immaterial. Nevertheless, as a responsible corporate citizen, we believe it is still beneficial to instil awareness among our employees to be environmentally friendly and reduce wastage of paper or any other consumables. Even before the Company had embarked on its WFH phase in early 2020, Board meetings in 2019 were already conducted paperless which saw a significant reduction of paper used compared with previous years. We also support the initiative of the regulators to allow companies to communicate with shareholders via electronic means and for the first time in 2020, we have done away with the printing of our annual report and held our first ever virtual AGM. With the growing trend of ordering take-aways for lunch more so with the ongoing COVID-19 pandemic, we have also increased awareness among employees of the proper way to dispose take-away containers that is recycling friendly.

AUDIT AND RISK COMMITTEE REPORT

MEMBERSHIP

Chairman : Teo Koon Hong *(Independent Non-Executive Director)*
Members : Datuk Ali bin Abdul Kadir* *(Non-Independent Non-Executive Chairman)*
Cindy Eunbyol Ko *(Independent Non-Executive Director)*

** Member of the Malaysian Institute of Accountants ("MIA").*

MEETINGS

The Audit and Risk Committee ("ARC") held five (5) meetings during the financial year which recorded full attendance from all the members of the ARC as follows: -

Committee Members	**Number of meetings attended during ARC Members' tenure in office**
Teo Koon Hong (Chairman)	5/5
Datuk Ali bin Abdul Kadir	5/5
Cindy Eunbyol Ko	5/5

During the financial year, the ARC has met with the External Auditors twice without the executive Board members and management present.

The ARC shall meet at least four (4) times a year and such additional meetings, as the Chairman shall decide in order to fulfil its duties. Upon the request of the External Auditors or internal auditors (if any), the Chairman of the ARC shall convene a meeting of the Committee to consider any matters that the auditors believe should be brought to the attention of the Directors or shareholders.

The Company Secretary or other appropriate senior official shall act as Secretary of the ARC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting and taking attendance for the ARC meeting. The Company Secretary shall also be responsible for keeping the minutes of ARC and circulating them to committee members and to the other members of the Board of Directors.

In order to form a quorum for the meeting, the majority of members present must be independent directors. The Chief Financial Officer, the Chief Audit Executive of the outsourced Internal Audit function and a representative of the External Auditors shall normally attend meetings. Other Board members and employees may attend the ARC Meeting upon the invitation of the Committee. However, at least twice a year the ARC shall meet with the External Auditors without executive Board members, management and employees present.

The Company must ensure that other directors and employees attend any particular ARC meeting only at the ARC's invitation, specific to the relevant meeting.

AUTHORITY AND DUTIES OF THE ARC

The ARC is governed by its Terms of Reference, which is available on the Company's website at www.jcbnext.com.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

In respect of the financial year under review, the ARC carried out the following activities which are in line with its responsibilities as set out in its Terms of Reference:

1. Financial statements

(a) Reviewed the unaudited quarterly financial reports and year-end audited financial statements before they were presented to the Board for approval;

(b) In its review of the quarterly financial reports, the ARC discussed with Management the financial accounting standards applied, including the judgements exercised in the application of those standards and explanations for significant items and the disclosure thereof; and

(c) In its review of the year-end audited financial statements, the ARC discussed with both Management and the External Auditors the financial accounting standards applied, including the judgments exercised in the application of those standards, audit focus areas and disclosures in the financial statements.

2. Matters relating to External Audit

(a) Reviewed with the External Auditors, the Group's audit plan for the year prior to the commencement of the annual audit, including the audit timetable and coordination with auditors of significant components;

(b) Reviewed the External Auditors' audit report and the significant audit findings underlying their report. These were presented once a year by the External Auditors upon completion of the year-end audit;

(c) Met with the External Auditors without Executive Board members and Management present twice, on 25 February 2020 and 28 May 2020, in order to provide the External Auditors an avenue to express any concerns they may have, including those relating to their ability to perform their work without restraint or interference;

(d) Evaluated the External Auditors' independence and objectivity, as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group; and

(e) Recommended to the Board to propose to shareholders the reappointment of the External Auditors at the AGM of the Company.

3. Matters relating to Internal Audit

(a) Reviewed the adequacy of the scope, function, competency and resources of the internal audit function;

(b) Reviewed and deliberated on the internal audit reports prepared by the internal auditors, including recommendations for corrective actions, management's response and actions taken to improve the Group's system of internal controls and operating procedures; and

(c) Met with the Internal Auditors without management present once, on 28 May 2020.

4. Matters relating to risk management and internal control

(a) Reviewed the Group's Enterprise Risk Management framework, process and structure; and

(b) Reviewed the risk scorecards, risk ratings and action plans identified by management.

5. Matters relating to corporate governance

(a) Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, ARC Report and the Statement on Risk Management and Internal Control and recommended the same to the Board for approval.

ARC TRAINING

During the financial year under review, members of the ARC attended training programmes on various subject matters such as regulatory, investment, risk management, corporate governance and other business related programmes to enable them to discharge their responsibilities as members of the ARC more effectively. Details of the trainings are disclosed in the Corporate Governance Overview Statement on page 34 of this Annual Report.

INTERNAL AUDIT FUNCTION

The Group's internal audit function during the financial year ended 31 December 2020 was undertaken by PKF Advisory Sdn. Bhd. (outsourced internal audit services effective until 31 December 2020) who are independent of the activities or operations of the Group. The Director of Risk and Governance Advisory from PKF Advisory Sdn. Bhd. is the Chief Audit Executive of the outsourced Internal Audit function. Through discussions with Management, the Chief Audit Executive is tasked to lead discussions and work sessions in identifying key risk areas and directing internal audit efforts towards those risk areas, and thereafter report directly to the ARC to preserve the independence of the Internal Audit function. The internal audits are carried out in accordance with the International Professional Practices Framework of Internal Auditing. The appointment of the Chief Audit Executive does not preclude the ARC, Board of Directors and Management from implementing board policies on risk and control. In fulfilling its responsibilities, the ARC, Board of Directors and management identifies and evaluates the risks faced by the Group, and design, operate and monitor a suitable system of internal control which implements the policies adopted by the Board of Directors.

The Chief Audit Executive will be responsible to review and appraise the effectiveness of the risk management, internal control and governance process within the Company. In addition, he will also be responsible to enhance the quality assurance and improvement programme of the internal audit function. The results will be officially presented to the ARC at least once a year.

During the financial year, the consultants have executed internal audit reviews in accordance to the strategic internal audit plan on the following processes:-

a) Gap analysis on the Guidelines on Adequate Procedures Pursuant to Section 17 (A) of Malaysian Anti-Corruption Commission (Amendment) Act 2018;

b) Review of the Group's cash management and insurance; and

c) Review of the Group's investment management and fixed assets.

PKF Advisory Sdn. Bhd. has provided internal audit services to the Group since 2006. During the year, as part of its continuous review of the adequacy of the scope, function, competency and resources of the internal audit function, the ARC decided not to renew the letter of engagement with PKF Advisory Sdn. Bhd. as it was believed a change may enhance corporate governance and independence of the internal audit function. The ARC and the Board would like to record their appreciation to PKF Advisory Sdn. Bhd. for its services throughout the years. Subsequent to this change, the Group's internal audit function has been outsourced to Resolve IR Sdn. Bhd. effective 24 February 2021.

The total costs incurred in supporting the Internal Audit Function for the financial year amounted to approximately RM59,000 (2019: RM56,000.00).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement on risk management and internal control has been prepared in compliance to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities and with reference to the "Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Companies" which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

BOARD RESPONSIBILITIES

The Board recognises the importance of a sound system of internal control and risk management to safeguard shareholders' investment and the Group's assets. The Board has overall responsibility for the Group's system of risk management and internal control including the establishment of an appropriate control environment as well as reviewing its adequacy and integrity.

However, there are limitations that are inherent in any system of internal control and that such systems are designed to manage and control risks appropriately rather than to eliminate them. Accordingly, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. Notwithstanding this, the Board requires that the procedures and controls in place are subject to regular review as part of an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

As part of its review process, the Board will continue taking necessary measures to strengthen its internal control system to address any weaknesses identified.

RISK MANAGEMENT FRAMEWORK AND SYSTEM OF INTERNAL CONTROL

During the year, the Group monitored significant risks and risk mitigation strategies on an ongoing basis through its management and Board meetings. Under the purview of the CEO, Senior Management are empowered with the responsibility of managing their respective operations.

In addition, the Audit and Risk Committee constantly reviews and improves on the existing risk management framework for identifying, evaluating and managing significant risks faced by the Group. In view of a constantly evolving environment and competitive landscape, the Board is committed in maintaining a system of internal control and risk management that comprises the following control environment, key processes and monitoring systems:

- Audit and Risk Committee reviews the adequacy and effectiveness of the Group's risk management and internal control procedures as well as any internal control issues identified by the external and internal auditors;
- A risk-mapping and on-going business process review that assists the management to continuously identify significant risks associated with key processes within a changing business and operating environment;
- An annual budgeting process against which performance is monitored on an ongoing basis;
- Quarterly business reports and management accounts are submitted by the respective managers for review by senior management;
- Disaster recovery plans including technical infrastructure monitoring processes to help ensure the risk of system outages is minimized;
- Segregation of duties and limits of authority are practiced to ensure accountability and responsibility;
- Clear, formalised and documented internal policies and procedures are in place to ensure compliance with internal controls and relevant laws and regulations;
- Employee handbook which contains, amongst others, the Company's policies on acceptable conduct and ethics;
- Periodic internal audits which focus on compliance with policies and procedures and evaluate the effectiveness and efficiency of the Group's internal control system;
- Anti-Bribery and Corruption policy which sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group; and
- Whistle-blowing policy which provides directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties.

INTERNAL AUDIT REVIEW

The Audit and Risk Committee ("ARC") is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control and risk management. In carrying out its responsibilities, the ARC relies on the support of an external professional firm of consultants appointed by the Committee, PKF Advisory Sdn. Bhd., which carries out internal audits on various areas of operations within the Group. These audits review the internal controls in the key activities of the Group's business based on the detailed internal audit plan approved by the ARC. Based on these audits, the Internal Auditors provide the ARC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

ASSOCIATED COMPANIES

The Group's system of internal controls does not cover associated companies.

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

There were no material losses or contingencies requiring separate disclosure in the annual report under review as a result from weaknesses in internal control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

Audit and Assurance Practice Guide ("AAPG") 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board is satisfied that the risk management framework and system of internal control that is in place for the year under review and up to the date of approval of this Statement, given the current size of the Group's operations, industry dynamics and competitive landscape, is adequate and effective.

The Board has received written assurances from the CEO and CFO as well as the Chief Audit Executive of the outsourced internal audit function that the Group's risk management framework and system of internal control is in place and operating adequately and effectively, in all material aspects, based on the risk management approach adopted by the Group.

This statement was approved by the Board of Directors on 17 May 2021.

ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the financial year ended 31 December 2020.

Audit and Non-Audit Fees

During the financial year ended 31 December 2020, the amount of audit fees and non-audit fees paid or payable to KPMG PLT or a firm or corporation affiliated to KPMG PLT by the Company and the Group are as follows:

	Group RM	Company RM
Audit fees	180,000	170,000
Non-audit fees	46,203	46,203

Material Contracts

During the financial year under review, there were no material contracts entered into by the Company and its subsidiaries which involved Directors' or major shareholders' interests.

Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended. The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made, in the preparation of the financial statements. The Directors also ensure that applicable approved accounting standards have been followed. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016.

FINANCIAL STATEMENTS

Directors' Report	50
Statements of Financial Position	54
Statements of Profit or Loss and Other Comprehensive Income	55
Statements of Changes in Equity	57
Statements of Cash Flows	61
Notes to the Financial Statements	63
Statement by Directors	118
Statutory Declaration	118
Independent Auditors' Report	119

DIRECTORS' REPORT
for the year ended 31 December 2020

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	6,450,450	8,146,097
Non-controlling interests	(60,425)	-
	6,390,025	8,146,097

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single tier dividend of 4.0 sen per ordinary share amounting to RM5,374,878 in respect of the financial year ended 31 December 2019 on 13 August 2020.

The Directors recommend the payment of a final single tier dividend of 3.0 sen per ordinary share amounting to RM4,023,597 in respect of the financial year ended 31 December 2020. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2020, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Datuk Ali bin Abdul Kadir
Teo Koon Hong
Lim Chao Li
Cindy Eunbyol Ko

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests, if any, of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Interest in the Company:				
Datuk Ali bin Abdul Kadir	740,000	-	-	740,000
Lim Chao Li	500,000	118,700	-	618,700
Deemed interests in the Company:				
Datuk Ali bin Abdul Kadir	42,000	-	-	42,000

None of the other Directors holding office at 31 December 2020 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year except as disclosed in the share buy-back note.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

SHARE BUY-BACK

On 17 July 2020, the shareholders of the Company renewed their approval for the Company to buy-back its own shares. During the financial year, the Company bought back from the open market, 1,471,400 of its issued ordinary shares ("JcbNext Shares") listed on the Main Market of Bursa Malaysia Securities Berhad, at an average buy-back price of approximately RM1.37 per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM2,009,322 and was financed by internally generated funds. The JcbNext Shares bought back are held as treasury shares in accordance with Section 127 Subsection 4(b) of the Companies Act 2016. On 28 December 2020, the Company cancelled 1,492,800 of its treasury shares held pursuant to Section 127 Subsection 4(a) of the Companies Act 2016.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Company is RM15,000,000 and RM28,700 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 18 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATUK ALI BIN ABDUL KADIR
Director

LIM CHAO LI
Director

Kuala Lumpur

Date: 17 May 2021

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Assets					
Property and equipment	3	117,876	240,712	104,910	224,298
Right-of-use assets	4	81,321	73,716	-	-
Investment properties	5	18,388,000	18,888,000	18,388,000	18,888,000
Investments in subsidiaries	6	-	-	28,332,264	24,214,508
Investments in associates	7	125,091,464	120,945,238	83,744,287	83,744,287
Other investments	8	50,215,792	50,118,135	33,711,641	42,812,723
Total non-current assets		193,894,453	190,265,801	164,281,102	169,883,816
Other investments	8	44,242,390	55,896,225	44,242,390	55,896,225
Current tax assets		-	75,852	-	75,852
Trade and other receivables	9	614,398	806,738	550,160	476,359
Prepayments and other assets		127,674	157,026	91,665	98,124
Deposits with licensed banks with original maturities more than three months		31,207,555	62,445,103	31,207,555	57,583,503
Cash and cash equivalents	10	55,431,594	18,185,688	50,681,502	17,489,279
Total current assets		131,623,611	137,566,632	126,773,272	131,619,342
Total assets		325,518,064	327,832,433	291,054,374	301,503,158
Equity					
Share capital		196,619,727	196,619,727	196,619,727	196,619,727
Reserves		126,979,094	129,198,302	92,903,635	103,415,085
Total equity attributable to owners of the Company	11	323,598,821	325,818,029	289,523,362	300,034,812
Non-controlling interests		84,232	138,866	-	-
Total equity		323,683,053	325,956,895	289,523,362	300,034,812
Liabilities					
Lease liabilities		-	19,380	-	-
Deferred tax liabilities	12	124,951	206,308	124,951	206,308
Total non-current liabilities		124,951	225,688	124,951	206,308
Lease liabilities		82,802	56,237	-	-
Other payables	13	1,594,342	1,586,827	1,380,147	1,262,038
Current tax payables		32,916	6,786	25,914	-
Total current liabilities		1,710,060	1,649,850	1,406,061	1,262,038
Total liabilities		1,835,011	1,875,538	1,531,012	1,468,346
Total equity and liabilities		325,518,064	327,832,433	291,054,374	301,503,158

The notes on pages 63 to 117 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Revenue	14	6,021,451	8,686,664	14,966,401	16,258,946
Other operating income		230,742	12,842	-	-
Contract and outsourcing cost		(479,536)	(709,609)	-	-
Depreciation of property and equipment	3	(162,270)	(92,296)	(157,005)	(89,624)
Depreciation of right-of-use assets	4	(119,224)	(36,898)	-	-
Expenses relating to short term lease and low value assets		(2,520)	(88,701)	(2,520)	(1,980)
Staff costs	16	(2,984,854)	(2,559,860)	(2,390,836)	(1,900,569)
Other operating expenses		(2,526,455)	(2,030,093)	(2,221,614)	(1,626,590)
Results from operating activities		(22,666)	3,182,049	10,194,426	12,640,183
Interest income		19	64,657	-	-
Interest expense		(10,412)	(8,029)	-	-
Net interest income		(10,393)	56,628	-	-
(Loss)/Gain on financial assets classified as fair value through profit or loss		(4,446)	(22,040)	2,221	(22,040)
Gain on changes of interest in associates		-	17,036	-	-
Loss on changes in fair value of investment properties	5	(500,000)	(500,000)	(500,000)	(500,000)
Impairment loss on amounts due from subsidiaries		-	-	(66,446)	(154,274)
Share of profit of equity accounted associates, net of tax		8,421,320	9,086,050	-	-
Profit before tax		7,883,815	11,819,723	9,630,201	11,963,869
Tax expense	17	(1,493,790)	(1,500,306)	(1,484,104)	(1,492,002)
Profit for the year	18	6,390,025	10,319,417	8,146,097	10,471,867

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Profit for the year	18	6,390,025	10,319,417	8,146,097	10,471,867
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income					
- Loss on price change		(6,517,288)	(4,557,917)	(10,742,450)	(1,554,064)
- Gain/(Loss) on exchange differences		130,993	(368,739)	(530,897)	(323,891)
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		5,225,244	768,767	-	-
Share of loss of equity-accounted associates		(118,616)	(209,507)	-	-
Total other comprehensive expense for the year, net of tax		(1,279,667)	(4,367,396)	(11,273,347)	(1,877,955)
Total comprehensive income/(expense) for the year		5,110,358	5,952,021	(3,127,250)	8,593,912
Profit attributable to:					
Owners of the Company		6,450,450	10,310,150	8,146,097	10,471,867
Non-controlling interests		(60,425)	9,267	-	-
Profit for the year		6,390,025	10,319,417	8,146,097	10,471,867
Total comprehensive income /(expense) attributable to:					
Owners of the Company		5,164,992	5,941,120	(3,127,250)	8,593,912
Non-controlling interests		(54,634)	10,901	-	-
Total comprehensive income /(expense) for the year		5,110,358	5,952,021	(3,127,250)	8,593,912
Basic earnings per ordinary share based on profit attributable to owners of the Company (sen):	19	4.80	7.55		

The notes on pages 63 to 117 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2020

		<---Attributable to owners of the Company--->									
		<---Non-distributable--->						Distributable			
Group	**Note**	**Share capital RM**	**Capital reserve RM**	**Translation reserve RM**	**Fair value reserve RM**	**Revaluation reserve RM**	**Treasury shares RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2019		196,619,727	2,080,577	20,436,025	23,032,961	5,742,256	(47,799)	80,721,732	328,585,479	127,965	328,713,444
Foreign currency translation differences for foreign operations		-	-	767,133	-	-	-	-	767,133	1,634	768,767
Equity instruments designated at fair value through other comprehensive income											
- Loss on price changes		-	-	-	(4,557,917)	-	-	-	(4,557,917)	-	(4,557,917)
- Loss on exchange differences		-	-	-	(368,739)	-	-	-	(368,739)	-	(368,739)
Share of other comprehensive income of equity-accounted associates		-	(181,650)	(27,857)	-	-	-	-	(209,507)	-	(209,507)
Transfer upon the disposal of equity investment designated at FVOCI (net of tax)	8.1	-	-	-	(3,759,986)	-	-	3,759,986	-	-	-
Total other comprehensive (expenses)/income for the year		-	(181,650)	739,276	(8,686,642)	-	-	3,759,986	(4,369,030)	1,634	(4,367,396)
Profit for the year		-	-	-	-	-	-	10,310,150	10,310,150	9,267	10,319,417
Total comprehensive (expense)/income of the year		-	(181,650)	739,276	(8,686,642)	-	-	14,070,136	5,941,120	10,901	5,952,021
Contributions by and distributions to owners of the Company											
- Treasury shares acquired	11	-	-	-	-	-	(3,241,388)	-	(3,241,388)	-	(3,241,388)
- Cancellation of treasury shares		-	-	-	-	-	3,258,157	(3,258,157)	-	-	-
- Dividends	20	-	-	-	-	-	-	(5,467,182)	(5,467,182)	-	(5,467,182)
Total transactions with owners of the Company		-	-	-	-	-	16,769	(8,725,339)	(8,708,570)	-	(8,708,570)
At 31 December 2019		196,619,727	1,898,927	21,175,301	14,346,319	5,742,256	(31,030)	86,066,529	325,818,029	138,866	325,956,895
		Note 11	Note 11	Note 11	Note 11	Note 11	Note 11				

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Group	Note	Share capital RM	Capital reserve RM	Translation reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		<-----Attributable to owners of the Company----->									
		<-----Non-distributable----->						Distributable			
At 1 January 2020		196,619,727	1,898,927	21,175,301	14,346,319	5,742,256	(31,030)	86,066,529	325,818,029	138,866	325,956,895
Foreign currency translation differences for foreign operations		-	-	5,219,453	-	-	-	-	5,219,453	5,791	5,225,244
Equity instruments designated at fair value through other comprehensive income											
- Loss on price changes		-	-	-	(6,517,288)	-	-	-	(6,517,288)	-	(6,517,288)
- Gain on exchange differences		-	-	-	130,993	-	-	-	130,993	-	130,993
Share of other comprehensive income of equity-accounted associates		-	(107,285)	(11,331)	-	-	-	-	(118,616)	-	(118,616)
Total other comprehensive (expenses)/income for the year		-	(107,285)	5,208,122	(6,386,295)	-	-	-	(1,285,458)	5,791	(1,279,667)
Profit for the year		-	-	-	-	-	-	6,450,450	6,450,450	(60,425)	6,390,025
Total comprehensive (expense)/income of the year		-	(107,285)	5,208,122	(6,386,295)	-	-	6,450,450	5,164,992	(54,634)	5,110,358
Contributions by and distributions to owners of the Company											
- Treasury shares acquired	11	-	-	-	-	-	(2,009,322)	-	(2,009,322)	-	(2,009,322)
- Cancellation of treasury shares		-	-	-	-	-	2,040,352	(2,040,352)	-	-	-
- Dividends	20	-	-	-	-	-	-	(5,374,878)	(5,374,878)	-	(5,374,878)
Total transactions with owners of the Company		-	-	-	-	-	31,030	(7,415,230)	(7,384,200)	-	(7,384,200)
At 31 December 2020		196,619,727	1,791,642	26,383,423	7,960,024	5,742,256	-	85,101,749	323,598,821	84,232	323,683,053

The notes on pages 63 to 117 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Note	<---Attributable to owners of the Company---> <---Non distributable---> Share capital RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2019		196,619,727	23,032,961	5,443,353	(47,799)	75,101,228	300,149,470
Equity instruments designated at fair value through other comprehensive income							
- Loss on price changes		-	(1,554,064)	-	-	-	(1,554,064)
- Loss on exchange differences		-	(323,891)	-	-	-	(323,891)
Transfer upon the disposal of equity investment designated at FVOCI (net of tax)	8.1	-	(3,759,986)	-	-	3,759,986	-
Total other comprehensive expense for the year		-	(5,637,941)	-	-	3,759,986	(1,877,955)
Profit for the year		-	-	-	-	10,471,867	10,471,867
Total comprehensive income for the year		-	(5,637,941)	-	-	14,231,853	8,593,912
Contributions by and distributions to owners of the Company							
- Treasury shares acquired	11	-	-	-	(3,241,388)	-	(3,241,388)
- Cancellation of treasury shares		-	-	-	3,258,157	(3,258,157)	-
- Dividends	20	-	-	-	-	(5,467,182)	(5,467,182)
Total transactions with owners of the Company		-	-	-	16,769	(8,725,339)	(8,708,570)
At 31 December 2019		196,619,727	17,395,020	5,443,353	(31,030)	80,607,742	300,034,812
		Note 11	Note 11	Note 11	Note 11		

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Note	<---Attributable to owners of the Company---> <---Non distributable---> Share capital RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2020		196,619,727	17,395,020	5,443,353	(31,030)	80,607,742	300,034,812
Equity instruments designated at fair value through other comprehensive income							
- Loss on price changes		-	(10,742,450)	-	-	-	(10,742,450)
- Loss on exchange differences		-	(530,897)	-	-	-	(530,897)
Total other comprehensive expense for the year		-	(11,273,347)	-	-	-	(11,273,347)
Profit for the year		-	-	-	-	8,146,097	8,146,097
Total comprehensive expense for the year		-	(11,273,347)	-	-	8,146,097	(3,127,250)
Contributions by and distributions to owners of the Company							
- Treasury shares acquired	11	-	-	-	(2,009,322)	-	(2,009,322)
- Cancellation of treasury shares		-	-	-	2,040,352	(2,040,352)	-
- Dividends	20	-	-	-	-	(5,374,878)	(5,374,878)
Total transactions with owners of the Company		-	-	-	31,030	(7,415,230)	(7,384,200)
At 31 December 2020		196,619,727	6,121,673	5,443,353	-	81,338,609	289,523,362

The notes on pages 63 to 117 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash flows from operating activities					
Profit before tax		7,883,815	11,819,723	9,630,201	11,963,869
Adjustments for:					
Changes in fair value of investment properties	5	500,000	500,000	500,000	500,000
Depreciation of property and equipment	3	162,270	92,296	157,005	89,624
Depreciation of right-of-use assets	4	119,224	36,898	-	-
Property and equipment written off	3	13	-	6	-
Share of profit after tax of equity-accounted associates		(8,421,320)	(9,086,050)	-	-
Dividend income		(1,997,163)	(3,311,707)	(11,349,264)	(11,973,803)
Interest income		(1,559,615)	(1,956,552)	(1,522,345)	(1,811,451)
Finance cost		10,412	8,029	-	-
Investment distribution income	14	(996,699)	(2,138,308)	(996,699)	(2,138,308)
Impairment loss on amounts due from subsidiaries		-	-	66,446	154,274
Loss/(Gain) on financial assets classified as fair value through profit or loss		4,446	22,040	(2,221)	22,040
Gain on changes of interest in associates		-	(17,036)	-	-
Unrealised foreign exchange loss		380,367	363,617	445,270	394,170
Reversal of impairment loss from trade receivables		-	(600)	-	(600)
Operating loss before working capital changes		(3,914,250)	(3,667,650)	(3,071,601)	(2,800,185)
Changes in trade and other receivables		(115,594)	122,867	(477,024)	(183,919)
Changes in prepayments and other assets		30,618	42,186	6,459	54,194
Changes in other payables		10,921	252,505	118,109	363,385
Cash used in operations		(3,988,305)	(3,250,092)	(3,424,057)	(2,566,525)
Income tax paid		(1,473,112)	(1,873,399)	(1,463,696)	(1,864,431)
Interest received		1,868,613	1,906,317	1,793,899	1,798,992
Interest paid		(10,439)	(8,012)	-	-
Net cash used in operating activities		(3,603,243)	(3,225,186)	(3,093,854)	(2,631,964)
Cash flows from investing activities					
Acquisition of other investments		(58,942,261)	(134,059,353)	(54,637,537)	(123,917,595)
Acquisition of property and equipment	3	(39,445)	(33,063)	(37,623)	(26,995)
Acquisition of treasury shares		(2,009,322)	(3,241,388)	(2,009,322)	(3,241,388)
Dividends received from an associate	14	9,365,733	8,662,096	9,365,733	8,662,096
Dividends received from other investments		1,242,105	3,311,707	1,242,105	3,311,707
Increase in investment in a subsidiary	6	-	-	(4,117,756)	(10,190,121)
Investment distribution income received	14	996,699	2,138,308	996,699	2,138,308
Net change in deposits with licensed banks with original maturities more than 3 months		31,237,548	(15,578,838)	26,375,948	(15,960,003)
Proceeds from disposal of other investments		64,862,756	141,899,026	64,862,756	141,899,026
Net cash generated from investing activities		46,713,813	3,098,495	42,041,003	2,675,035

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash flows from financing activities					
Dividends paid to shareholders of the Company	20	(5,374,878)	(5,467,182)	(5,374,878)	(5,467,182)
Payment of lease liabilities		(120,221)	(34,948)	-	-
Net cash used in financing activities		(5,495,099)	(5,502,130)	(5,374,878)	(5,467,182)
Net increase/(decrease) in cash and cash equivalents		37,615,471	(5,628,821)	33,572,271	(5,424,111)
Cash and cash equivalents at beginning of the year		18,185,688	24,161,435	17,489,279	23,276,834
Effects of exchange rate fluctuations on cash held		(369,565)	(346,926)	(380,048)	(363,444)
Cash and cash equivalents at end of year	10	55,431,594	18,185,688	50,681,502	17,489,279

Cash outflows for leases as a lessee

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Included in net cash from operating activities				
Payment relating to short-term leases	-	79,683	-	-
Payment relating to leases of low value assets	2,340	1,980	2,340	1,980
Interest paid in relation to lease liabilities	10,439	8,012	-	-
Included in net cash from financing activities				
Payment of lease liabilities	120,221	34,948	-	-
Total cash outflows for leases	133,000	124,623	2,340	1,980

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2019 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 31 December 2019/At 1 January 2020 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 31 December 2020 RM
Lease liabilities	-	110,461	(34,948)	104	75,617	128,734	(120,221)	(1,328)	82,802

The notes on pages 63 to 117 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JcbNext Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business	**Registered office**
Wisma JcbNext	12th Floor, Menara Symphony
No.27, Lorong Medan Tuanku 1	No.5, Jalan Prof. Khoo Kay Kim
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The consolidated financial statements of the Company as at and for the financial year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the financial year ended 31 December 2020 do not include other entities.

The Company is principally engaged in investment holding while the principal activities of the other Group entities are as stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 17 May 2021.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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:

Amendment effective for annual periods beginning on or after 1 June 2020
- Amendment to MFRS 16, *Leases* – Covid-19-Related Rent Concessions

Amendments effective for annual periods beginning on or after 1 January 2021
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

Amendments effective for annual periods beginning on or after 1 January 2022
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)*
- 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*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018−2020)*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

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 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021, except for MFRS 4 which is not applicable to the Company.

- from the annual period beginning on 1 January 2022 for the amendment that is effective for annual periods beginning on or after 1 January 2022, except for MFRS 1 and MFRS 141 which are not applicable to the Company.

- from the annual period beginning on 1 January 2023 for the amendment that is effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Company.

The initial application of the accounting standards and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical costs basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards ("MFRSs") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 - valuation of investment properties
- Note 7 - impairment assessment on investment in associates
- Note 8 - valuation of non-quoted investment
- Note 22 - measurement of expected credit loss ("ECL") and fair value of unquoted shares

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Associates (continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit and loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) ***Amortised cost***

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

(b) ***Fair value through other comprehensive income***

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(c) *Fair value through profit or loss*

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(h)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group’s key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property and equipment

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within “other operating income” and “other operating expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Computers	3 years
Office equipment	5 years
Renovations	5 years
Furniture and fittings	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(f) Investment properties

(i) Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties (continued)

(i) Investment properties carried at fair value (continued)

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment properties

When an item of property and equipment is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments.

(h) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(ii) Financial assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses and paid annual leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue and other income

(i) Revenue

Revenue is measure based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Dividend and investment distribution income

Dividend and investment distribution income are recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(q) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Contingencies (continued)

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or the non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(r) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for assets or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY AND EQUIPMENT

Group	Computers RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Total RM
Cost					
At 1 January 2019	278,244	29,679	1,483,300	21,962	1,813,185
Additions	19,662	2,865	9,036	1,500	33,063
Write off	(1,529)	-	-	-	(1,529)
Exchange difference	59	30	-	7	96
At 31 December 2019/ 1 January 2020	296,436	32,574	1,492,336	23,469	1,844,815
Additions	2,983	6,612	28,800	1,050	39,445
Reclassification	(93,001)	-	93,001	-	-
Write off	(57,394)	(5,221)	-	-	(62,615)
Exchange difference	(3)	(7)	-	-	(10)
At 31 December 2020	149,021	33,958	1,614,137	24,519	1,821,635
Depreciation					
At 1 January 2019	174,748	8,402	1,329,143	986	1,513,279
Depreciation for the year	10,705	5,274	74,108	2,209	92,296
Write off	(1,529)	-	-	-	(1,529)
Exchange difference	53	4	-	-	57
At 31 December 2019/ 1 January 2020	183,977	13,680	1,403,251	3,195	1,604,103
Reclassification	(2)	-	2	-	-
Depreciation for the year	9,404	6,276	138,666	7,924	162,270
Write off	(57,386)	(5,216)	-	-	(62,602)
Exchange difference	(7)	(4)	-	(1)	(12)
At 31 December 2020	135,986	14,736	1,541,919	11,118	1,703,759
Carrying amounts					
At 1 January 2019	103,496	21,277	154,157	20,976	299,906
At 31 December 2019/ 1 January 2020	112,459	18,894	89,085	20,274	240,712
At 31 December 2020	13,035	19,222	72,218	13,401	117,876

3. PROPERTY AND EQUIPMENT (CONTINUED)

Company	**Computers RM**	**Office equipment RM**	**Renovations RM**	**Furniture and fittings RM**	**Total RM**
Cost					
At 1 January 2019	123,790	17,856	793,368	19,305	954,319
Additions	13,594	2,865	9,036	1,500	26,995
At 31 December 2019/ 1 January 2020	137,384	20,721	802,404	20,805	981,314
Additions	2,983	4,790	28,800	1,050	37,623
Write off	(21,552)	(4,561)	-	-	(26,113)
At 31 December 2020	118,815	20,950	831,204	21,855	992,824
Depreciation					
At 1 January 2019	113,298	7,029	546,212	853	667,392
Depreciation for the year	10,536	3,038	74,108	1,942	89,624
At 31 December 2019/ 1 January 2020	123,834	10,067	620,320	2,795	757,016
Depreciation for the year	7,376	3,973	138,666	6,990	157,005
Write off	(21,548)	(4,559)	-	-	(26,107)
At 31 December 2020	109,662	9,481	758,986	9,785	887,914
Carrying amounts					
At 1 January 2019	10,492	10,827	247,156	18,452	286,927
At 31 December 2019/ 1 January 2020	13,550	10,654	182,084	18,010	224,298
At 31 December 2020	9,153	11,469	72,218	12,070	104,910

4. RIGHT-OF-USE ASSETS

	Group Buildings RM
At 1 January 2019	-
Addition	110,461
Depreciation	(36,898)
Exchange difference	153
At 31 December 2019/1 January 2020	73,716
Addition	128,734
Depreciation	(119,224)
Exchange difference	(1,905)
At 31 December 2020	81,321

The Group leases an office with contract terms of 2 years. There is no option to renew the lease after that date.

4. RIGHT-OF-USE ASSETS (CONTINUED)

4.1 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. INVESTMENT PROPERTIES

	Group and Company	
	2020	**2019**
	RM	**RM**
At 1 January	18,888,000	19,388,000
Change in fair value recognised in profit or loss	(500,000)	(500,000)
At 31 December	18,388,000	18,888,000

Included in the above are:

	Group and Company	
	2020	**2019**
	RM	**RM**
At fair value		
Freehold land	14,000,000	14,500,000
Buildings	4,388,000	4,388,000
	18,388,000	18,888,000

Investment properties comprise freehold land and buildings that are leased to third parties and a subsidiary during the financial year. The leases contain an initial non-cancellable period of 6 months to 3 years. Subsequent renewals are negotiated with the lessee and on average renewal periods of 2 years. No contingent rents are charged.

The following are recognised in profit or loss in respect of investment properties:

		Group		**Company**	
	Note	**2020**	**2019**	**2020**	**2019**
		RM	**RM**	**RM**	**RM**
Rental income	14	1,093,893	331,184	1,098,093	335,384
Direct operating expenses:					
- income generating investment properties		(1,049,156)	(806,333)	(1,049,156)	(806,333)

5. INVESTMENT PROPERTIES (CONTINUED)

5.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group RM	Company RM
2020		
Less than one year	1,210,644	1,210,994
One to two years	807,096	807,096
Total undiscounted lease payments	2,017,740	2,018,090
2019		
Less than one year	879,032	879,382
One to two years	1,403,920	1,403,920
Total undiscounted lease payments	2,282,952	2,283,302

5.2 Fair value information

Fair value of investment properties are categorised as follows:

	Group and Company Level 3 2020 RM		Group and Company Level 3 2019 RM
Freehold land	14,000,000		14,500,000
Buildings	4,388,000		4,388,000
	18,388,000	*	18,888,000

* RM18,000,000 (2019: RM18,500,000) is determined by an external and independent property valuer.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	Group and Company 2020 RM	Group and Company 2019 RM
At 1 January	18,888,000	19,388,000
Losses recognised in profit or loss:		
Change in fair value	(500,000)	(500,000)
At 31 December	18,388,000	18,888,000

5. INVESTMENT PROPERTIES (CONTINUED)

5.2 Fair value information (continued)

Level 3 fair value (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size, age (time factor) and location.	Premium made for differences in: 1) Age (Time factor) = -5.0% to -10.0% 2) Location = 5.0% to 15.0%	The estimated fair value would increase/(decrease) if premium made for differences in age (time factor) and location was higher/(lower).
Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from the property. The expected net cash flows are discounted using an average yield of shop offices/medium-rise office buildings in the vicinity of the property.	3) Void periods = 0 to 1 month per year 4) Risk-adjusted discount rate = 4.00% to 4.30%	The estimated fair value would increase/(decrease) if void periods were shorter/(longer) or risk-adjusted discount rate were (lower)/higher.

Valuation processes applied by the Group and the Company for Level 3 fair value

The fair value of investment properties is determined by an external, independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group and the Company's investment property every twelve months. The fair value of another building is based on the estimates by the Directors.

6. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM	Company 2019 RM
Cost of investment	30,476,715	26,358,959
Less: Accumulated impairment losses	(2,144,451)	(2,144,451)
	28,332,264	24,214,508

During the financial year, the Company has increased its investment in JcbNext Pte. Ltd. by RM4,117,756 by way of capitalisation of amount due from its subsidiary.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Autoworld.com.my Sdn. Bhd.	Malaysia	Automobile online advertising services	100	100
JcbNext Pte. Ltd. *	Singapore	Investment Holding	100	100
JobStreet.com India Pvt. Ltd. **	India	Ceased operations	100	100
JS Overseas Holdings Limited **	British Virgin Islands	Investment Holding	100	100
Greenfield Japan Kabushiki Kaisha **	Japan	Search and selection, staffing and career consultancy	60	60

* Audited by firms of auditors other than KPMG International
** Consolidated using management accounts as there is no legal requirement for the entity to be audited

Non-controlling interests in subsidiaries

The Group does not have any material non-controlling interests (“NCI”).

7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Investments in associate:				
Investment in shares	83,744,287	83,744,287	83,744,287	83,744,287
Share of post-acquisition profits	11,804,499	12,671,725	-	-
Post-acquisition foreign exchange translation reserve	27,844,031	22,646,106	-	-
Post-acquisition capital reserve	1,698,647	1,883,120	-	-
	125,091,464	120,945,238	83,744,287	83,744,287

Details of material associates are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2020 %	2019 %
Innity Corporation Berhad*	Malaysia	Provider of interactive online marketing platforms and technologies for advertisers and publishers	21.03	21.03
104 Corporation#	Taiwan	Provider of advertising and consultancy services	22.99	22.99

* Audited by firms of auditors other than KPMG International

Audited by other member firms of KPMG International

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates, adjusted for any difference in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

Summarised financial information

2020	**Innity Corporation Berhad RM**	**104 Corporation RM**
As at 31 December		
Non-current assets	10,600,172	46,270,081
Current assets	65,817,113	333,755,851
Non-current liabilities	(2,341,584)	(8,200,335)
Current liabilities	(37,100,151)	(162,224,920)
Non-controlling interest	(1,730,089)	(807,807)
Net assets	35,245,461	208,792,870
Year ended 31 December		
Profit for the year	(329,073)	36,933,923
Other comprehensive income	(57,573)	(463,320)
Total comprehensive income	(386,646)	36,470,603
Included in comprehensive income is		
Revenue	103,031,725	233,730,783

	Innity Corporation Berhad RM	**104 Corporation RM**	**Total RM**
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	7,411,416	47,998,140	55,409,556
Goodwill	4,946,718	47,868,950	52,815,668
Effects of exchange rate fluctuations	-	16,866,240	16,866,240
Carrying amount in the statement of financial position	12,358,134	112,733,330	125,091,464
Group's share of results for the year ended 31 December			
Group's share of profit	(69,197)	8,490,517	8,421,320
Group's share of comprehensive income	(12,106)	(106,510)	(118,616)
	(81,303)	8,384,007	8,302,704
Other information			
Dividend received by the Group	-	9,365,733	

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information (continued)

2019	**Innity Corporation Berhad RM**	**104 Corporation RM**
As at 31 December		
Non-current assets	11,122,870	46,770,742
Current assets	62,751,603	305,821,485
Non-current liabilities	(2,026,723)	(7,663,498)
Current liabilities	(33,228,315)	(140,486,953)
Non-controlling interest	(2,987,329)	(1,110,569)
Net assets	35,632,106	203,331,207
Year ended 31 December		
Profit for the year	1,249,142	38,382,114
Other comprehensive income	(95,487)	(824,545)
Total comprehensive income	1,153,655	37,557,569
Included in comprehensive income is		
Revenue	117,189,967	223,202,641

	Innity Corporation Berhad RM	**104 Corporation RM**	**Total RM**
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	7,492,720	46,742,591	54,235,311
Goodwill	4,946,718	47,868,950	52,815,668
Effects of exchange rate fluctuations	-	13,894,259	13,894,259
Carrying amount in the statement of financial position	12,439,438	108,505,800	120,945,238
Group's share of results for the year ended 31 December			
Group's share of profit	262,616	8,823,434	9,086,050
Group's share of comprehensive income	(19,957)	(189,550)	(209,507)
	242,659	8,633,884	8,876,543
Other information			
Dividend received by the Group	-	8,662,096	

8. OTHER INVESTMENTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current				
Fair value through other comprehensive income	50,215,792	50,118,135	33,711,641	42,812,723
Current				
Fair value through profit or loss	44,242,390	55,896,225	44,242,390	55,896,225
	94,458,182	106,014,360	77,954,031	98,708,948

8.1 Equity investments designated at fair value through other comprehensive income

The Group designated the investments shown below as equity securities as at fair value through other comprehensive income because these equity securities represent investments that the Group intends to hold for long-term strategic purposes.

	Group		Company	
	Fair value at 31 December RM	Dividend income recognised during the year RM	Fair value at 31 December RM	Dividend income recognised during the year RM
2020				
Quoted investments	45,577,752	1,997,163	29,073,601	1,983,531
Unquoted investments	4,638,040	-	4,638,040	-
	50,215,792	1,997,163	33,711,641	1,983,531
2019				
Quoted investments	47,112,577	3,311,707	39,807,165	3,311,707
Unquoted investments	3,005,558	-	3,005,558	-
	50,118,135	3,311,707	42,812,723	3,311,707

In previous financial year, the Group disposed the following investment which was carried at fair value through other comprehensive income because it was no longer in line with the Group's strategy.

Group and Company

	Fair value at derecognition RM	Cumulative gain on disposal (net of tax) RM	Dividend income recognised during the year RM
2019			
Quoted investment	10,093,363	3,759,986	404,126

9. TRADE AND OTHER RECEIVABLES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Trade					
Trade receivables		42,250	108,716	-	-
Non-trade					
Amount due from subsidiaries	9.1	-	-	6,140,634	6,074,188
Less: Impairment losses		-	-	(6,140,634)	(6,074,188)
		-	-	-	-
Other receivables		572,148	698,022	550,160	476,359
		572,148	698,022	550,160	476,359
		614,398	806,738	550,160	476,359

9.1 The amount due from subsidiaries is unsecured, interest free and repayable on demand.

10. CASH AND CASH EQUIVALENTS

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Deposits with licensed banks	1,000	15,934,440	-	15,933,440
Cash and bank balances	55,430,594	2,251,248	50,681,502	1,555,839
	55,431,594	18,185,688	50,681,502	17,489,279

11. CAPITAL AND RESERVES

Share capital	Group and Company Number of shares 2020	Amount 2020 RM	Number of shares 2019	Amount 2019 RM
Ordinary shares, issued and fully paid:				
At 1 January	135,612,700	196,619,727	137,784,900	196,619,727
- Cancellation of treasury shares	(1,492,800)	-	(2,172,200)	-
At 31 December	134,119,900	196,619,727	135,612,700	196,619,727

11. CAPITAL AND RESERVES (CONTINUED)

Ordinary shares

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

Capital reserve

The capital reserve comprises the non-distributable share premium of the associated company.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

Revaluation reserve

The revaluation reserve relates to the revaluation of property and equipment immediately prior to its reclassification as investment properties.

Treasury shares

During the financial year, the Company bought back from the open market, 1,471,400 (2019: 2,163,600) of its issued ordinary shares ("JcbNext Shares") listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM1.37 (2019: RM1.50) per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM2,009,322 (2019: RM3,241,388) and was financed by internally generated funds. On 28 December 2020, the Company cancelled 1,492,800 treasury shares being JcbNext Shares bought back during the current and preceding financial years in accordance with Section 127 Subsection 4(a) of the Companies Act 2016. At 31 December 2020, the Group held NIL (2019: 21,400) of the Company's own shares.

12. DEFERRED TAX LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Assets 2020 RM	Assets 2019 RM	Liabilities 2020 RM	Liabilities 2019 RM	Net 2020 RM	Net 2019 RM
Property and equipment	-	-	(1,589)	(8,550)	(1,589)	(8,550)
Investment properties	-	-	(369,000)	(419,000)	(369,000)	(419,000)
Provisions	245,638	221,242	-	-	245,638	221,242
Tax assets/(liabilities)	245,638	221,242	(370,589)	(427,550)	(124,951)	(206,308)
Set off of tax	(245,638)	(221,242)	245,638	221,242	-	-
Net tax liabilities	-	-	(124,951)	(206,308)	(124,951)	(206,308)

Movement in temporary differences during the year

Group and Company	At 1.1.2019 RM	Recognised in profit or loss (Note 17) RM	At 31.12.2019/ 1.1.2020 RM	Recognised in profit or loss (Note 17) RM	At 31.12.2020 RM
Property and equipment	(8,752)	202	(8,550)	6,961	(1,589)
Investment properties	(234,500)	(184,500)	(419,000)	50,000	(369,000)
Provisions	192,743	28,499	221,242	24,396	245,638
	(50,509)	(155,799)	(206,308)	81,357	(124,951)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised on the following items (stated at gross) as it was not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2020 RM	Group 2019 RM
Deductible temporary difference	17,000	14,000
Unutilised tax losses	13,175,000	12,580,000
Unabsorbed capital allowances	22,000	22,000
	13,214,000	12,616,000

The unutilised tax losses and unabsorbed capital allowances do not expire under current tax legislation, except for tax losses arising from Year of Assessment (YA) 2020 and 2019 amounting to RM114,000 and RM146,000 will expire in 2028 and 2027 respectively, and tax losses accumulated up to Year of Assessment (YA) 2018 amounting to RM1,942,000 expire in 2026.

13. OTHER PAYABLES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-trade					
Deferred income	13.1	100,887	74,396	101,237	74,746
Other payables and accrued expenses		1,493,455	1,512,431	1,278,910	1,187,292
		1,594,342	1,586,827	1,380,147	1,262,038

13.1 Deferred income comprises rental income received in advance.

14. REVENUE

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue from contracts with customer				
- Online advertising	17,236	27,119	-	-
- Contract staffing	356,864	986,451	-	-
	374,100	1,013,570	-	-
Other revenue				
- Rental income from investment properties	1,093,893	331,184	1,098,093	335,384
- Dividends from other investments - quoted	1,997,163	3,311,707	1,983,531	3,311,707
- Dividends from an associate - quoted	-	-	9,365,733	8,662,096
- Investment distribution income	996,699	2,138,308	996,699	2,138,308
- Interest income	1,559,596	1,891,895	1,522,345	1,811,451
	6,021,451	8,686,664	14,966,401	16,258,946

14.1 Disaggregation of revenue

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Services				
- Malaysia	17,236	27,119	-	-
- Japan	356,864	986,451	-	-
	374,100	1,013,570	-	-

14. REVENUE (CONTINUED)

14.2 Nature of services

Online advertising

This is recognised at a point in time upon advertisements are placed on the website. The Group has an average credit term of 90 days.

Contract staffing

This relates to revenue from providing contract staff to customers. The revenue is recognised over the period when the service is rendered. The Group has an average credit term of 30 days.

15. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Directors				
- Fees	288,000	255,000	288,000	255,000
- Remuneration	-	303,050	-	-
	288,000	558,050	288,000	255,000
Other key management personnel:				
- Remuneration	1,663,327 *	1,169,271*	1,227,744	852,446
	1,951,327	1,727,321	1,515,744	1,107,446

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

* On 27 June 2019, Chang Mun Kee has resigned as an executive director but remained as the Group's CEO. Subsequent to his resignation from the Board of Directors, his remuneration has been classified under remuneration of other key management personnel.

16. STAFF COSTS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Staff costs (including key management personnel compensation):				
Salaries and other employee benefits	2,717,124	2,357,644	2,137,519	1,696,288
Contributions to state plans	267,730	202,216	253,317	204,281
	2,984,854	2,559,860	2,390,836	1,900,569

17. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Income tax expense on continuing operations	1,493,790	1,500,306	1,484,104	1,492,002
Current tax expense				
Malaysia - current year	415,099	253,868	415,099	253,868
- prior year	(21,059)	(948)	(21,059)	(948)
Overseas - current year	1,181,107	1,091,587	1,171,421	1,083,283
Total current tax recognised in profit or loss	1,575,147	1,344,507	1,565,461	1,336,203
Deferred tax expense				
Recognition of temporary difference	(80,000)	139,911	(80,000)	139,911
(Over)/Under provision in prior year	(1,357)	15,888	(1,357)	15,888
Total tax expense	1,493,790	1,500,306	1,484,104	1,492,002
Reconciliation of tax expense				
Profit for the year	6,390,025	10,319,417	8,146,097	10,471,867
Total tax expense	1,493,790	1,500,306	1,484,104	1,492,002
Share of profit of equity-accounted associates, and net of tax	(8,421,320)	(9,086,050)	-	-
Adjusted (loss)/profit before tax	(537,505)	2,733,673	9,630,201	11,963,869
Tax calculated using Malaysian tax rate of 24% (2019: 24%)	(129,001)	656,082	2,311,248	2,871,329
Effect of tax rates in foreign jurisdictions*	44,180	48,239	-	-
Effect of deferred tax assets not recognised	109,647	157,000	-	-
Non-taxable income	(784,339)	(1,573,538)	(3,032,035)	(3,647,616)
Non-deductible expenses	1,103,372	1,112,832	1,055,886	1,170,066
Taxes arising from foreign jurisdictions	1,172,347	1,084,751	1,171,421	1,083,283
	1,516,206	1,485,366	1,506,520	1,477,062
(Over)/Under provided in prior year	(22,416)	14,940	(22,416)	14,940
Tax expense	1,493,790	1,500,306	1,484,104	1,492,002

* Subsidiaries operate in tax jurisdictions with different tax rates from Malaysia

18. PROFIT FOR THE YEAR

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Profit for the year is arrived at after charging/(crediting):					
Auditors' remuneration					
- Audit fees					
KPMG PLT		180,000	180,000	170,000	170,000
Other auditors		15,372	13,509	-	-
- Non-audit fees					
KPMG PLT		8,000	8,000	8,000	8,000
Overseas affiliates of KPMG PLT		38,203	37,872	38,203	37,872
Material expenses/(income)					
Depreciation of property and equipment		162,270	92,296	157,005	89,624
Depreciation of right-of-use assets		119,224	36,898	-	-
Impairment loss on amounts due from subsidiaries		-	-	66,446	154,274
Property and equipment written off		13	-	6	-
Realised foreign exchange gain		(139,187)	(637,881)	(73,284)	(686,244)
Unrealised foreign exchange loss		380,367	363,617	445,270	394,170
Gain on changes of interest in associates		-	(17,036)	-	-
Reversal of impairment loss on trade receivables		-	(600)	-	(600)
Expenses arising from leases					
Expenses related to short-term leases	a	-	86,721	-	-
Expenses relating to leases of low value assets	a	2,520	1,980	2,520	1,980

Note a

The Group leases building with contract terms of 1 year. These leases are short-term and leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

19. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 31 December 2020 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2020 **RM**	**2019** **RM**
Profit for the year attributable to owners of the Company	6,450,450	10,310,150
Issued ordinary shares at 1 January	135,591,300	137,754,900
Effect of treasury shares held	(1,107,392)	(1,163,842)
Weighted average number of ordinary shares at 31 December	134,483,908	136,591,058
Basic earnings per ordinary share (sen)	4.80	7.55

Diluted earnings per ordinary share

No diluted earnings per share is disclosed in the financial statements as there are no dilutive potential ordinary shares.

20. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2020			
Final 2019 single tier	4.0 per share	5,374,878	13 August 2020
2019			
Final 2018 single tier	4.0 per share	5,467,182	25 July 2019

The Directors recommend the payment of a final single tier dividend of 3.0 sen per ordinary share amounting to RM4,023,597 in respect of the financial year ended 31 December 2020. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2020, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

21. 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, investments in associates, and property leasing
Others	Includes online advertising and contract staffing

Segment profit

Reporting on segmental profit includes items directly attributable to the segments identified, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence, no disclosure is made on segment liability.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property and equipment.

21. OPERATING SEGMENTS (CONTINUED)

2020	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	1,093,893	374,100	-	1,467,993
Inter-segment revenue	4,200	-	(4,200)	-
Dividends	11,362,896	-	(9,365,733)	1,997,163
Interest income	1,559,596	-	-	1,559,596
Investment distribution income	996,699	-	-	996,699
Revenue for the year	15,017,284	374,100	(9,369,933)	6,021,451
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	9,722,791	(430,375)	(9,315,082)	(22,666)
Interest income	-	19	-	19
Interest expense	(8,242)	(2,170)	-	(10,412)
Loss on financial assets classified as fair value through profit or loss	(4,446)	-	-	(4,446)
Loss on changes in fair value of investment properties	(500,000)	-	-	(500,000)
Impairment loss on amounts due from subsidiaries	(66,446)	-	66,446	-
Share of profit of equity accounted associates	8,421,320	-	-	8,421,320
Profit before tax	17,564,977	(432,526)	(9,248,636)	7,883,815
Income tax expense	(1,484,104)	(9,686)	-	(1,493,790)
Profit for the year	16,080,873	(442,212)	(9,248,636)	6,390,025
Segment assets	353,327,378	523,300	(28,332,614)	325,518,064
Included in the measure of segment assets are:				
Investments in associates	125,091,464	-	-	125,091,464
Non-current assets other than financial instruments and deferred tax assets	18,524,300	62,897	-	18,587,197
Additions to non-current assets other than financial instruments and deferred tax assets	39,445	128,734	-	168,179
Other segment information				
Depreciation of property and equipment	162,270	-	-	162,270
Depreciation of right-of-use assets	55,386	63,838	-	119,224

21. OPERATING SEGMENTS (CONTINUED)

2019	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	331,184	1,013,570	-	1,344,754
Inter-segment revenue	4,200	-	(4,200)	-
Dividends	11,973,803	-	(8,662,096)	3,311,707
Interest income	2,138,308	-	-	2,138,308
Investment distribution income	1,891,895	-	-	1,891,895
Revenue for the year	16,339,390	1,013,570	(8,666,296)	8,686,664
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	12,039,594	(153,930)	(8,703,615)	3,182,049
Interest income	-	64,657	-	64,657
Interest expense	(8,029)	-	-	(8,029)
Loss on financial assets classified as fair value through profit or loss	(22,040)	-	-	(22,040)
Gain on changes of interest in associates	17,036	-	-	17,036
Loss on changes in fair value of investment properties	(500,000)	-	-	(500,000)
Impairment loss on amounts due from subsidiaries	(154,274)	-	154,274	-
Share of profit of equity accounted associates	9,086,050	-	-	9,086,050
Profit before tax	20,458,337	(89,273)	(8,549,341)	11,819,723
Income tax expense	(1,492,002)	(8,304)	-	(1,500,306)
Profit for the year	18,966,335	(97,577)	(8,549,341)	10,319,417
Segment assets	351,175,217	872,074	(24,214,858)	327,832,433
Included in the measure of segment assets are:				
Investments in associates	120,945,238	-	-	120,945,238
Non-current assets other than financial instruments and deferred tax assets	19,202,419	9	-	19,202,428
Additions to non-current assets other than financial instruments and deferred tax assets	143,524	-	-	143,524
Other segment information				
Depreciation of property and equipment	92,296	-	-	92,296
Depreciation of right-of-use assets	36,898	-	-	36,898

22. FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9

(b) Amortised cost ("AC")

(c) Fair value through other comprehensive income ("FVOCI")
- Equity instrument designated upon initial recognition ("EIDUIR")

	Carrying amount RM	AC RM	Mandatorily at FVTPL RM	FVOCI - EIDUIR RM
2020				
Financial assets				
Group				
Other investments	94,458,182	-	44,242,390	50,215,792
Trade and other receivables	614,398	614,398	-	-
Other assets	84,822	84,822	-	-
Deposit with licensed bank with original maturities more than three months	31,207,555	31,207,555	-	-
Cash and cash equivalents	55,431,594	55,431,594	-	-
	181,796,551	87,338,369	44,242,390	50,215,792
Company				
Other investments	77,954,031	-	44,242,390	33,711,641
Trade and other receivables	550,160	550,160	-	-
Other assets	58,090	58,090	-	-
Deposit with licensed bank with original maturities more than three months	31,207,555	31,207,555	-	-
Cash and cash equivalents	50,681,502	50,681,502	-	-
	160,451,338	82,497,307	44,242,390	33,711,641

	Carrying amount RM	AC RM
2020		
Financial liabilities		
Group		
Other payables (excluding deferred income)	1,493,455	1,493,455
Company		
Other payables (excluding deferred income)	1,278,910	1,278,910

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.1 Categories of financial instruments (continued)

	Carrying amount RM	AC RM	Mandatorily at FVTPL RM	FVOCI - EIDUIR RM
2019				
Financial assets				
Group				
Other investments	106,014,360	-	55,896,225	50,118,135
Trade and other receivables	806,738	806,738	-	-
Other assets	102,319	102,319	-	-
Deposit with licensed bank with original maturities more than three months	62,445,103	62,445,103	-	-
Cash and cash equivalents	18,185,688	18,185,688	-	-
	187,554,208	81,539,848	55,896,225	50,118,135
Company				
Other investments	98,708,948	-	55,896,225	42,812,723
Trade and other receivables	476,359	476,359	-	-
Other assets	58,090	58,090	-	-
Deposit with licensed bank with original maturities more than three months	57,583,503	57,583,503	-	-
Cash and cash equivalents	17,489,279	17,489,279	-	-
	174,316,179	75,607,231	55,896,225	42,812,723

	Carrying amount RM	AC RM
2019		
Financial liabilities		
Group		
Other payables (excluding deferred income)	1,512,431	1,512,431
Company		
Other payables (excluding deferred income)	1,187,292	1,187,292

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Net (losses)/gains on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	(4,446)	(22,040)	2,221	(22,040)
Equity instruments designated at fair value through other comprehensive income	(6,386,294)	(4,926,656)	(11,273,347)	(1,877,955)
Financial assets at amortised cost	1,308,024	2,223,387	1,083,913	1,949,851
	(5,082,716)	(2,725,309)	(10,187,213)	49,856

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its other investments and receivables from customers. The Company's exposure to credit risk arises principally from its other investments, trade receivables, advances to subsidiaries and financial guarantees given to banks for credit facilities granted to a subsidiary. There are no significant changes as compared to prior periods.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2020 RM	**2019 RM**
Malaysia	-	5,551
Others	42,250	103,165
	42,250	108,716

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

The Group and the Company maintain an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

Group	Gross-carrying amount RM	Loss allowances RM	Net balance RM
2020			
Not past due	42,250	-	42,250
Past due 1 - 30 days	-	-	-
Past due 31 - 180 days	-	-	-
	42,250	-	42,250
2019			
Not past due	103,193	-	103,193
Past due 1 - 30 days	16	-	16
Past due 31 - 180 days	5,507	-	5,507
	108,716	-	108,716

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk and credit quality

As at the end of the reporting period, the Group has invested in domestic and overseas securities. The maximum exposure to the credit risk is represented by the carrying amounts in the statements of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments and other financial assets are unsecured.

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances as at 31 December 2020.

Company	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2020			
Credit impaired	6,140,634	(6,140,634)	-
2019			
Credit impaired	6,074,188	(6,074,188)	-

The movement in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

Company	Lifetime ECL RM
Balance at 1 January 2019	5,919,914
Net remeasurement of loss allowance	154,274
Balance at 31 December 2019/1 January 2020	6,074,188
Net remeasurement of loss allowance	66,446
Balance at 31 December 2020	6,140,634

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence it is not provided for.

22.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loan and borrowing.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Within 1 year RM	1-2 years RM
2020					
Group					
Lease liabilities	82,802	1.7 - 10.88	85,988	85,988	-
Other payables	1,493,455	-	1,493,455	1,493,455	-
	1,576,257		1,579,443	1,579,443	-
Company					
Other payables	1,278,910	-	1,278,910	1,278,910	-

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Within 1 year RM	1-2 years RM
2019					
Group					
Lease liabilities	75,617	10.88	85,953	64,465	21,488
Other payables	1,512,431	-	1,512,431	1,512,431	-
	1,588,048		1,598,384	1,576,896	21,488
Company					
Other payables	1,187,292	-	1,187,292	1,187,292	-

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

22.6.1 Currency risk

The Group is exposed to foreign currency risk on cash that are held in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Hong Kong Dollar ("HKD") and Singapore Dollar ("SGD"). The Group does not hedge its currency risk.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

22.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash and cash equivalents and deposits with licensed banks with original maturities more than 3 months held in:				
USD	14,727,696	16,590,149	14,723,683	16,586,057
HKD	538,285	16,547	13,825	16,547
SGD	30,196,694	27,647,345	30,196,694	27,647,345
Exposure in the statements of financial position	45,462,675	44,254,041	44,934,202	44,249,949

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 7.5% (2019: 7.5%) strengthening of the RM against the USD, HKD and SGD at the end of the reporting period would have decreased pre-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variance that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss			
	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
USD	(1,104,577)	(1,244,261)	(1,104,276)	(1,243,954)
HKD	(40,371)	(1,241)	(1,037)	(1,241)
SGD	(2,264,752)	(2,073,551)	(2,264,752)	(2,073,551)

A 7.5% (2019: 7.5%) weakening of RM against the USD, HKD and SGD at the end of the reporting period would have had equal but opposite effect on the USD, HKD and SGD to the amounts shown above, on the basis that all other variables remained constant.

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

22.6.2 Interest rate risk

The Group's and the Company's exposure to interest rate risk arises from interest-earning assets. The Group does not hedge its interest rate risk. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Deposits are placed with licensed banks with varying maturity dates.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Fixed rate instruments				
Financial assets				
Deposits with licensed banks with original maturities:				
- more than 3 months	31,207,555	62,445,103	31,207,555	57,583,503
- 3 months or less	1,000	15,934,440	-	15,933,440
	31,208,555	78,379,543	31,207,555	73,516,943

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

22.6.3 Other price risk

Other price risk arises from the Group's quoted investments.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the quoted investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

22.6.3 Other price risk (continued)

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's short term and long term quoted investments moved in correlation with the stock exchange of Malaysia, Singapore, Australia and Hong Kong.

A 10% (2019: 10%) strengthening in the abovementioned stock exchanges and financial markets at the end of the reporting period would result in the following impact to equity and profit or loss:

	2020		2019	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
Long term other investments	5,021,579	-	5,011,814	-
Short term other investments	4,424,239	4,424,239	5,589,623	5,589,623
Company				
Long term other investments	3,371,164	-	4,281,272	-
Short term other investments	4,424,239	4,424,239	5,589,623	5,589,623

A 10% (2019: 10%) weakening in the abovementioned stock exchanges and financial markets would have had equal but opposite effect on equity and profit or loss respectively.

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in an active market and their fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amounts shown in the statement of financial position.

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2020	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
Financial assets										
Investments in quoted instruments	89,820,142	-	-	89,820,142	-	-	-	-	89,820,142	89,820,142
Company										
Financial assets										
Investments in quoted instruments	73,315,991	-	-	73,315,991	-	-	-	-	73,315,991	73,315,991
2019										
Group										
Financial assets										
Investments in quoted instruments	103,008,802	-	-	103,008,802	-	-	-	-	103,008,802	103,008,802
Company										
Financial assets										
Investments in quoted instruments	95,703,390	-	-	95,703,390	-	-	-	-	95,703,390	95,703,390

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information (continued)

22.7.1 Fair value hierarchy

Policy on transfer between levels
The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value
Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value
Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values
There has been no transfer between Level 1 and Level 2 fair values during the financial year (2019: no transfer in either direction).

Level 3 fair value
Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

23. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

24. CAPITAL COMMITMENTS

	Group and Company	
	2020	**2019**
	RM	**RM**
Investment in unquoted shares		
Contracted but not provided for:	436,297	537,932

25. RELATED PARTIES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related or jointly control to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, associates, subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 15), are as follows:

	Transactions value year ended 31 December	
	2020	**2019**
Company	**RM**	**RM**
Subsidiaries		
Rental income	(4,200)	(4,200)

Balances with subsidiaries are as disclosed in Note 9.

STATEMENT BY DIRECTORS
pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 54 to 117 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATUK ALI BIN ABDUL KADIR
Director

LIM CHAO LI
Director

Kuala Lumpur

Date: 17 May 2021

STATUTORY DECLARATION
pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Gregory Charles Poarch**, the officer primarily responsible for the financial management of JcbNext Berhad, do solemnly and sincerely declare that the financial statements set out on pages 54 to 117 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Gregory Charles Poarch, NRIC: 651226-91-5027, at Kuala Lumpur in the Federal Territory on 17 May 2021.

GREGORY CHARLES POARCH

Before me:

Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

to the members of **JcbNext Berhad**
(Registration No. 200401002875 (641378-W))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JcbNext Berhad, which comprise the statement of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 117.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment in an associate

Refer to Note2(a)(v) – Significant accounting policies: "Associates" and Note 7 – Investments in associates.

The key audit matter

The Group owns 22.99% in 104 Corporation ("104C"), an associate listed on the Taiwan Stock Exchange. The Group's share of results from this associate for the year ended 31 December 2020 was RM8,490,517 and with carrying amounts of RM112,733,330. This associate has contributed approximately 34.93% to the Group's net assets which are significant in the context of the consolidated financial statements.

Key Audit Matters (continued)

Investment in an associate (continued)

The key audit matter (continued)

Given that this is a foreign investment, the carrying amount of this investment in the consolidated financial statements which is accounted under equity method is reassessed by applying appropriate adjustments on consolidation for any differences in accounting policies by the management.

We identified the accounting for the results and the investment in this associate as a key audit matter because of the material impact that the associate has on the consolidated financial statements.

How the matter was addressed in our audit

We have performed the following audit procedures, among others:

- We engaged in a continuous communication with 104C auditor throughout the audit to satisfy our requirements under the international auditing standards.
- We instructed the 104C auditor to perform an audit on the financial information and issued instructions to 104C auditor to communicate the overall Group's audit strategy.
- We obtained an understanding of the procedures planned to be performed by the 104C auditor of significant risks identified and considered whether the planned procedures were appropriate for the purpose of the audit of the consolidated financial statements.
- We assessed the adequacy of the work performed by the 104C auditor by inspecting their audit documentation and the consistency of the Group's accounting policies applied.
- We obtained the reporting from 104C auditor and discussed with the auditor on the matters of significance in their audit which could impact the Group's consolidated financial statements.
- We assessed whether the carrying amount of this associate which is accounted under equity method after the adjustments made by the management was prepared in accordance with the Group's accounting policies.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matters

The report is made solely to the members of the Company, as a body in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chong Dee Shiang
Approval Number: 02782/09/2022 J
Chartered Accountant

Petaling Jaya

Date: 17 May 2021

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Carrying Value as at 31.12.2020 (RM)	Date of Acquisition
Wisma JcbNext No. 27, Lorong Medan Tuanku 1, Off Jalan Sultan Ismail, 50300 Kuala Lumpur	8-storey office building with basement	Office	30	3,917	Freehold	18,000,000	6.12.2005
19, Jalan Sasa 3, Taman Gaya, 81800 Ulu Tiram, Johor Darul Takzim	2-storey shop office	Office	13	357	Freehold	388,000	19.5.2006

ANALYSIS OF SHAREHOLDINGS
as at 30 April 2021

Total Number of Issued Shares	:	134,119,900.00*
Class of Share	:	Ordinary shares
Voting Right	:	One vote per ordinary share held

* Inclusive of 1,792,900 treasury shares

DISTRIBUTION OF SHAREHOLDINGS *

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%#
Less than 100 shares	283	16.96	11,983	0.01
100 – 1,000 shares	549	32.89	302,782	0.23
1,001 – 10,000 shares	570	34.15	2,374,360	1.79
10,001 – 100,000 shares	198	11.86	6,612,272	5.00
100,001 to less than 5% of issued shares#	65	3.89	33,386,063	25.23
5% and above of issued shares	4	0.24	89,639,540	67.74
Total	**1,669**	**100.00**	**132,327,000**	**100.00**

* Pursuant to the Bursa Malaysia Depository Disclosure Framework, reports on the list of shareholders and transactions are based on the settlement cycle of 2 trading days after the transaction date. Hence, the distribution of shareholdings record transactions made up to 28 April 2021 which was subsequently captured in the Record of Depository ("ROD") dated 30 April 2021.

Excludes 1,792,900 ordinary shares bought back by the Company and held as treasury shares based on the ROD dated 30 April 2021.

SUBSTANTIAL SHAREHOLDERS
(As per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%#**	**Indirect**	**%#**
Chang Mun Kee	70,229,494	53.07	7,435,900*	5.62
Wong Siew Hui	12,200,626	9.22	-	-

* Registered in the name of Bank Julius Baer & Co. Ltd, Singapore – HSBC Trustees (S) Ltd for Voyager Assets Limited, the trustee of a discretionary trust for estate planning purposes, the beneficiaries of which are members of Mr. Chang Mun Kee's family and himself.

Excludes 1,792,900 ordinary shares bought back by the Company and held as treasury shares.

DIRECTORS' SHAREHOLDINGS

(As per register of directors' shareholdings)

	No. of Shares Held			
Name of Directors	**Direct**	**%#**	**Indirect**	**%#**
Datuk Ali bin Abdul Kadir	740,000	0.56	42,000 *	0.03
Teo Koon Hong	-	-	-	-
Cindy Eunbyol Ko	-	-	-	-
Lim Chao Li	1,000,000	0.76	-	-

* Deemed interested by virtue of Section 8(4) of the Companies Act 2016.

[#] Excludes 1,792,900 ordinary shares bought back by the Company and held as treasury shares.

30 LARGEST SHAREHOLDERS *

	Name	**No. of Shares Held**	**%**
1.	AMSEC Nominees (Tempatan) Sdn Bhd *Ambank (M) Berhad for Chang Mun Kee (5032-1101)*	57,082,864	43.14
2.	HSBC Nominees (Tempatan) Sdn Bhd *BJB SG for Chang Mun Kee*	12,920,150	9.76
3.	Wong Siew Hui	12,200,626	9.22
4.	HSBC Nominees (Asing) Sdn Bhd *EXEMPT AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)*	7,435,900	5.62
5.	Suresh A/L Thirugnanam	4,226,164	3.19
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Exempt AN for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)*	3,421,870	2.59
7.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Credit Suisse (SG BR-TST-ASING)*	2,990,780	2.26
8.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Kuan Gin*	1,660,400	1.25
9.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	1,438,500	1.09
10.	CIMB Group Nominees (Asing) Sdn. Bhd. *Exempt AN for DBS Bank Ltd (SFS)*	1,386,000	1.05
11.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt AN for Credit Suisse (SG BR-TST-TEMP)*	1,385,800	1.05
12.	Yeoh Liew Se	1,000,000	0.76

30 LARGEST SHAREHOLDERS * (CONTINUED)

Name		No. of Shares Held	%
13.	Lee Sau Eng	915,600	0.69
14.	Lim Gaik Bway @ Lim Chiew Ah	655,400	0.50
15.	Ng Kay Ian	651,558	0.49
16.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Gaik Bway @ Lim Chiew Ah (Margin)*	600,000	0.45
17.	AmBank (M) Berhad *Pledged Securities Account for Ali bin Abdul Kadir (Smart)*	592,000	0.45
18.	TMF Trustees Malaysia Berhad *JPOS Trust*	506,000	0.38
19.	Lim Chao Li	500,000	0.38
20.	Lim Chao Li	500,000	0.38
21.	Yeoh Phaik Seok	494,800	0.37
22.	Lim Kuan Gin	469,500	0.35
23.	Yew Kok Onn	434,000	0.33
24.	Yap Zhong Kai	420,000	0.32
25.	Tay Kok Choon	407,258	0.31
26.	Lim Eng Hock	400,000	0.30
27.	Affin Hwang Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for GF Capital Global Limited*	364,320	0.28
28.	Leong Wai Kong	330,000	0.25
29.	Chew Siew Mee	283,000	0.21
30.	Ling Hua Wei	281,831	0.21

* Pursuant to the Bursa Malaysia Depository Disclosure Framework, reports on the list of shareholders and transactions are based on the settlement cycle of 2 trading days after the transaction date. Hence, the distribution of shareholdings record transactions made up to 28 April 2021 which was subsequently captured in the ROD dated 30 April 2021.

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth ("**17th**") Annual General Meeting ("**AGM**") of JCBNEXT BERHAD ("**JcbNext**" or "**the Company**") will be conducted entirely on a virtual basis via **Remote Participation and Electronic Voting** ("**RPEV**") facilities for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Meeting Date	:	Wednesday, 16 June 2021
Time	:	10.30 a.m.
Meeting Platform	:	https://web.lumiagm.com/
Broadcast Venue	:	12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan Malaysia
Mode of Communication	:	1) Submit questions to the Board prior to the 17th AGM by emailing to ir@jcbnext.com no later than 5.00 p.m., Wednesday, 9 June 2021. 2) Post questions to the Board via real time submission of typed text at https://web.lumiagm.com/ during live streaming of 17th AGM.

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.

(Please refer to Note 1 of the Explanatory Notes)

2. To approve the payment of Final Dividend of 3.0 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2020.

Ordinary Resolution 1

3. To approve the Directors' Fees up to an aggregate amount of RM262,000.00 for the financial year ending 31 December 2021 and Benefits Payable to Non-Executive Directors up to an aggregate amount of RM38,000.00 for the period from the date of AGM until the next AGM of the Company in year 2022 and the payment thereof.

Ordinary Resolution 2

4. To re-elect Mr Lim Chao Li who is retiring under Clause 96 of the Constitution of the Company.

Ordinary Resolution 3

5. To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 4

As Special Business

To consider and, if thought fit, to pass the following resolutions:

6. **Proposed Renewal of Authority to Allot Shares pursuant to Section 76 of the Companies Act 2016**

"THAT pursuant to Section 76 of the Companies Act 2016 (the "**Act**"), the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM of the Company 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) at the time of issue, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

Ordinary Resolution 5

7. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares of up to 10% of its Total Number of Issued Shares ("Proposed Share Buy-Back")**

"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 Depositories 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 2020, the audited retained profits of the Company stood at approximately RM81.34 million;

(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 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 JcbNext Shares by the Company, the Directors of the Company be and are hereby authorised to decide at their absolute discretion to either cancel any portion or all of JcbNext Shares so purchased or to retain JcbNext Shares so purchased as treasury shares, and to dealt with such treasury shares in the manner as set out in Section 127 of 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."

Ordinary Resolution 6

8. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Act.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 17th AGM to be held on Wednesday, 16 June 2021, a Final Dividend of 3.0 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2020 will be paid to shareholders on 21 July 2021. The entitlement date for the said dividend shall be on 30 June 2021.

A Depositor shall qualify for entitlement to the Dividend only in respect of:

(a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 30 June 2021 in respect of the transfers; and

(b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAI YIT CHAN
(SSM PC No. 202008001023)
(MAICSA 7009143)

WONG SIEW YEEN
(SSM PC No. 202008001471)
(MAICSA 7018749)
Company Secretaries

Selangor Darul Ehsan
Date: 18 May 2021

NOTES:

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities. Please follow the procedures provided in the Administrative Details for the AGM in order to register, participate and vote remotely. The Administrative Details on the Conduct of a Fully Virtual General Meeting is available for download at https://www.jcbnext.com/?page_id=183.

2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from.

3. Shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED** to be physically present nor will they be admitted at the Broadcast Venue on the day of the AGM. Therefore, members are strongly advised to participate and vote remotely at this AGM through live streaming and online remote voting using the RPEV facilities provided by the Company's poll administrator, namely Boardroom Share Registrars Sdn Bhd. **Please read these Notes carefully and follow the Procedures in the Administrative Details for the AGM in order to participate remotely.**

4. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at **8 June 2021** shall be eligible to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.

5. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.

6. Where a member appoints two (2) proxies, the appointments shall be invalid unless he (she) specifies the proportion of his (her) holdings to be represented by each proxy.

7. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

8. The Proxy Form shall be signed by the appointer of his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its Common Seal or by its duly authorised attorney or officer.

9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.

10. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof, as follows:-

    (i) In hard copy form
    The original instrument appointing a proxy ("Proxy Form") must be deposited at the Company's Share Registrar's Office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

    (ii) By electronic means
    The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Details for the AGM in order to deposit the Proxy Form electronically.

11. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

12. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

EXPLANATORY NOTES

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolution 2 – Directors' Fees and Benefits Payable

The amount of Directors' Fee payable includes fee payable to Directors as a member of Board and Board Committees. The amount of Benefits Payable to Non-Executive Directors comprise meeting allowances only. Other than the Directors' Fees and Benefits Payable from the Company, the Non-Executive Directors do not receive any Directors' Fees or Benefits Payable from any of the subsidiaries with JcbNext Group.

In the event that the proposed Directors' Fees and Benefits Payable during the above period exceed the estimated amount sought at the 17th AGM, approval will be sought at the next AGM for additional Directors' Fees and Benefits Payable to meet the shortfall.

3. Ordinary Resolution 5 – Proposed Renewal of Authority to Allot Shares pursuant to Section 76 of the Act

The Company had, during its Sixteenth AGM held on 17 July 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of this notice, the Company has not issued any shares pursuant to that mandate.

Ordinary Resolution 5 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s), working capital and/or acquisitions.

4. Ordinary Resolution 6 - Proposed Share Buy-Back

The proposed Ordinary Resolution 6, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of JcbNext Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 18th AGM is required by law to be held.

Further information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 18 May 2021 which was despatched together with this Annual Report.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

ADMINISTRATIVE DETAILS OF THE SEVENTEENTH ("17TH") ANNUAL GENERAL MEETING

Meeting Date	:	Wednesday, 16 June 2021
Time	:	10.30 a.m.
Meeting Platform	:	https://web.lumiagm.com/
Broadcast Venue	:	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
Mode of Communication	:	1) Submit questions to the Board prior to the 17th Annual General Meeting ("**AGM**") by emailing to ir@jcbnext.com no later than 5.00 p.m., Wednesday, 9 June 2021. 2) Post questions to the Board via real time submission of typed text at https://web.lumiagm.com/ during live streaming of the 17th AGM.

Dear Valued Shareholders,

Due to the unprecedented circumstances arising from the measures that have been implemented nationally to limit the spread of the COVID-19, and in particular, the Government of Malaysia's official guidance for practising social distancing, the Company will conduct its forthcoming Seventeenth ("**17th**") Annual General Meeting ("**AGM**") entirely on a virtual basis via remote participation and electronic voting ("**RPEV**") facilities.

The above decision is made pursuant to Section 327 of the Companies Act 2016 and Clause 64 of the Constitution of the Company.

In line with the Malaysian Code on Corporate Governance Practice 12.3, by conducting a virtual AGM, this would promote greater shareholder participation as it facilitates electronic voting and remote shareholders' participation. With the RPEV facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors and/or Management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our virtual AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

Digital Copies of Annual General Meeting Documents

The following documents are available for download from Bursa Malaysia Berhad and the Company's website at https://www.jcbnext.com/?page_id=183:-

1. Annual Report 2020;
2. Corporate Governance Report 2020;
3. Notice of the 17th AGM;
4. Proxy Form;
5. Administrative Details of the 17th AGM; and
6. Statement to Shareholders in relation to Proposed Renewal of Authority for the Company to purchase its own Ordinary Shares of up to Ten Percent (10%) of Total Number of Issued Shares dated 18 May 2021 ("Statement to Shareholders")

If you wish to receive a printed black and white copy of the Annual Report 2020 and/or Statement to Shareholders, please email your request to ir@jcbnext.com accompanied by your full name, CDS Account Number, full mailing address and telephone number. The Annual Report 2020 and/or Statement to Shareholders will be delivered to you within four (4) market days from the date of receipt of the written request.

Procedures for RPEV Facilities

Kindly follow the steps below on how to request for login ID and password:

Procedure		Action
Before the day of the AGM		
1.	Register Online with Boardroom Smart Investor Portal	*[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]* a. Access website https://www.boardroomlimited.my b. Click <<Login>> and click <<Register>> to sign up as a user. c. Complete registration and upload softcopy of MyKAD (for Malaysian) front and back or Passport (for non-Malaysian). d. Please enter a valid email address. e. Your registration will be verified and approved within one business day and an email notification will be provided.
2.	Submit request for remote participation	Registration for remote access will be opened on **Wednesday, 19 May 2021** at **10.30 a.m**. Please note that the closing time to submit your request is on **Monday, 14 June 2021** at **10.30 a.m.** (48 hours before the commencement of the AGM). **Individual Members** a. Log in to https://www.boardroomlimited.my b. Select "Hybrid/Virtual Meeting" from main menu and select the correct Corporate Event "**JCB 17th AGM**" Virtual AGM. c. Enter your CDS Account. d. Read and agree to the terms & condition and thereafter submit your request. **Corporate Shareholders** a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request. b. Please provide a copy of Corporate Representative's MyKAD (for Malaysian) front and back or Passport (for non-Malaysian) as well as his/her email address. **Authorised Nominee and Exempt Authorised Nominee** a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Form of Proxy to submit the request. b. Please provide a copy of Corporate Representative's MyKad (for Malaysian) front and back or Passport (for non-Malaysian) as well as his/her email address.
3.	Email notification	a. You will receive notification(s) from Boardroom Share Registrars Sdn. Bhd. ("Boardroom") that your request(s) has been received and is/are being verified. b. Upon system verification against the General Meeting Record of Depositories as at **8 June 2021**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation together with your remote access user ID and password.

On the day of the AGM		
4.	Login to Meeting Platform	a. The Meeting Platform will be open for login one (1) hour before the commencement of the AGM. b. The Meeting Platform can be accessed via one of the following:- ➢ Download the free **Lumi AGM** application from Apple App Store or Google Play Store; ➢ Scan the QR Code provided in the email notification; ➢ Navigate to the website at https://web.lumiagm.com/ c. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.
5.	Participate	*[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All question and messages will be presented with the full name and identity of the participant raising the question.]* a. If you would like to view the live webcast, select the broadcast icon.  b. If you would like to ask a question during the AGM, select the messaging icon.  c. Type your message within the chat box, once completed click the send button.
6.	Voting	a. Once voting has been opened, the polling icon will appear with the resolutions and your voting choices. b. To vote simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received. c. To change your vote, simply select another voting direction. d. If you wish to cancel your vote, please press "Cancel".
7.	End of Participation	Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end and the Messaging window will be disabled.

Entitlement to Participate the AGM

Only a depositor whose name appears in the Record of Depositors as at **8 June 2021** is entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that time.

Form(s) of Proxy

1. Shareholders are encouraged to go online, participate and vote at the AGM using the RPEV facilities.

2. If a shareholder is unable to attend the 17th AGM on Wednesday, 16 June 2021, he/she can appoint the Chairman of the meeting as his/her proxy to attend, speak and vote in his/her stead. Please submit your Proxy Form to the Share Registrar's Office of the Company, Boardroom Share Registrar Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan by **Monday, 14 June 2021 at 10.30 a.m.**

3. You may also submit the Proxy Form via electronic means ("**e-Proxy**") through the Boardroom Share Registrar's smart investor portal at https://www.boardroomlimited.my by logging in and selecting "E-PROXY LODGEMENT" (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy) no later than the aforementioned date and time.

4. If you wish to raise any questions in relation to the Resolutions at the 17th AGM, you may email your questions to ir@jcbnext.com before Wednesday, 9 June 2021 at 5.00 p.m. and the Company would attend to your queries during the 17th AGM.

Revocation of Proxy

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

Voting Procedure

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**") as Poll Administrator to conduct the poll by way of electronic voting ("**e-voting**") and Boardroom Share Registrars Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results.

2. During the AGM, the Chairman of the meeting will invite the Poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

3. For the purposes of the Virtual AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

4. There are two (2) methods for members and proxies who wish to use their personal voting device to vote remotely. The methods are as follows:-

    (i) Use the QR Scanner Code given in the email received after successful registration; **OR**

    (ii) Navigate to the website URL https://web.lumiagm.com/.

5. Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the meeting whether the resolutions put to vote were successfully carried or not.

No Vouchers/Door Gifts

There will be **NO VOUCHER(S) OR ANY DOOR GIFT(S)** for shareholders/proxies who participate in the AGM.

Recording or Photography At The AGM

Strictly no recording or photography of the AGM proceedings is allowed.

Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.):-

Boardroom Share Registrars Sdn. Bhd.

Address	:	11^{th} Floor, Menara Symphony No. 5 Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
General Line	:	603-7890 4700
Fax Number	:	603-7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

PROXY FORM

JCBNEXT BERHAD
[200401002875 (641378-W)]
(Incorporated in Malaysia)

Number of shares held	CDS Account No.

I/We, ………………………………………………… NRIC/Passport/Company No………………………………… of
(NAME IN FULL AND IN BLOCK LETTERS)

…….. and Telephone
(FULL ADDRESS)

no./Email address ………………………………..…. being a member/members of **JCBNEXT BERHAD (“Company”) (“Company”)**, hereby appoint ……………………………………… NRIC/Passport No. …………………………… of
(NAME IN FULL AND BLOCK LETTERS)

………..
(FULL ADDRESS)

and/or failing him/her, …………………………………………… NRIC/Passport No. …………………………. of
(NAME IN FULL AND BLOCK LETTERS)

………..
(FULL ADDRESS)

or failing him/her, *THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Seventeenth **(“17th”)** Annual General Meeting **(“AGM”)** of the Company, to be conducted entirely on a virtual basis at broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Wednesday, 16 June 2021** at **10.30 a.m.** and at any adjournment thereof.

** Please delete the words “THE CHAIRMAN OF THE MEETING” if you wish to appoint some other person to be your proxy.*

My/our proxy is to vote as indicated below:-

No.	**Resolution**	**For**	**Against**
Ordinary Resolution 1	Approval of the payment of Final Dividend of 3.0 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2020.		
Ordinary Resolution 2	Approval of Directors’ Fees for the financial year ending 31 December 2021 and Benefits Payable to the Non-Executive Directors for the period from the date of AGM until the next AGM of the Company in year 2021 and the payment thereof.		
Ordinary Resolution 3	Re-election of Mr Lim Chao Li as Director pursuant to Clause 96 of the Constitution of the Company.		
Ordinary Resolution 4	Re-appointment of Messrs. KPMG PLT as Auditors.		
Ordinary Resolution 5	Proposed Renewal of Authority for the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016.		
Ordinary Resolution 6	Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares.		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.)

Signed this ....day of 2021

The proportions of my/our holding to be represented by my/our proxies are as follows:

1st proxy		%
2nd proxy		%
TOTAL	100	%

………………………………..
Signature of Shareholder or
Common Seal of Shareholder

NOTES:

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia’s official guidance on social distancing, the AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting (“**RPEV**”) facilities. Please follow the procedures provided in the Administrative Details for the AGM in order to register, participate and vote remotely. The Administrative Details on the Conduct of a Fully Virtual General Meeting is available for download at https://www.jcbnext.com/?page_id=183.
2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from.
3. Shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED** to be physically present nor will they be admitted at the Broadcast Venue on the day of the AGM. Therefore, members are strongly advised to participate and vote remotely at this AGM through live streaming and online remote voting using the RPEV facilities provided by the Company's poll administrator, namely Boardroom Share Registrars Sdn Bhd. **Please read these Notes carefully and follow the Procedures in the Administrative Details for the AGM in order to participate remotely.**
4. In respect of deposited securities, only members whose names appear in the Company’s Record of Depositors as at **8 June 2021** shall be eligible to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.
5. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.

6. Where a member appoints two (2) proxies, the appointments shall be invalid unless he (she) specifies the proportion of his (her) holdings to be represented by each proxy.

7. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

8. The Proxy Form shall be signed by the appointer of his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its Common Seal or by its duly authorised attorney or officer.

9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.

10. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof, as follows:-

    (i) In hard copy form
    The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

    (ii) By electronic means
    The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Details for the AGM in order to deposit the Proxy Form electronically.

11. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

12. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 18 May 2021.

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AFFIX STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.
[Registration No. 199601006647 (378993-D)]
GROUND FLOOR OR 11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13
46200 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

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Fold This Flap For Sealing

ANNEXURE TO THE PROXY FORM

Dear Shareholders,

We are pleased to inform you that as a Shareholder, you have the option to submit your Proxy Form via electronic means (e-Proxy) in paperless form. Once you have successfully submitted your e-Proxy form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of the Company.

To assist you on how to engage with e-Proxy, kindly read and follow the guidance notes which are detailed below:

ELECTRONIC LODGEMENT OF PROXY FORM OF THE 17TH AGM (E-PROXY LODGEMENT)

Step 1 – Register online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 below for e-Proxy lodgement.]

a. Access Boardroom's website at https://boardroomlimited.my
b. Click <<Login>> and click <<Register>> to sign up as a user. Registration is free.
c. Complete registration and upload a softcopy of your MYKAD (for Malaysian) front and back or your Passport (for non-Malaysian).
d. Please enter a valid e-mail address and wait for Boardroom's e-mail verification.
e. Your registration will be verified and approved within one (1) business day and an e-mail notification will be provided.

Step 2 – e-Proxy lodgement

a. Access Boardroom's website at https://boardroomlimited.my
b. Login with your user ID (i.e. e-mail address) and password.
c. Go to "E-PROXY LODGEMENT" and browse the Meeting List for "**JCB 17TH AGM**" and click "APPLY".
d. Read the terms and conditions and confirm the declaration.
e. Enter the CDS account number and indicate the number of securities for your Proxy to vote on your behalf.
f. Appoint the Chairman of the Meeting as your Proxy and enter the required particulars.
g. Indicate your voting instructions – FOR or AGAINST, otherwise your Proxy will decide your vote.
h. Review and confirm your Proxy appointment.
i. Click submit.
j. Download or print the e-Proxy form acknowledgement.