JcbNext Berhad

Annual Report 2022

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GROUP PERFORMANCE HIGHLIGHTS

Financial Year Ended 31 December	2018	2019	2020	2021	2022
Operating Results (RM million)					
Revenue	8.5	8.7	6.0	6.4	9.5
Results from operating activities	3.1	3.2	0.0	3.4	5.5
Profit before tax	11.4	11.8	7.9	18.3	25.6
Profit after tax	10.0	10.3	6.4	16.7	23.6
Profit attributable to owners of the Company	9.9	10.3	6.5	16.8	23.6
Net cash used in operations	(4.0)	(3.2)	(3.6)	(2.6)	(3.9)
Key Balance Sheet Data (RM million)					
Total assets	330.1	327.8	325.5	346.8	350.8
Issued and paid-up share capital	196.6	196.6	196.6	196.6	196.6
Equity attributable to owners of the Company	328.6	325.8	323.6	344.9	348.8
No. of ordinary shares in issuance (no. of shares, million)	137.8	135.6	134.1	132.0	132.0
Share Information and Valuation					
Basic earnings per share (sen)	7.13	7.55	4.80	12.68	17.85
Diluted earnings per share (sen)	7.13	7.55	4.80	12.68	17.85
Net dividend per share (sen)	4.00	4.00	3.00	3.50	6.00⌖
Share price as at 31 December (RM)	1.48	1.45	1.40	1.38	1.28
Net dividend yield (%)	2.70	2.76	2.14	2.54	4.69
Financial Ratios					
Return on equity (%)	3.0	3.2	2.0	4.9	6.8
Current ratio	100.4	83.4	77.0	56.2	41.3
Net asset value per share (RM)	2.39	2.40	2.41	2.61	2.64
Operating margin (%)	35.96	36.63	(0.38)	53.2	57.31
Net profit margin (%)	116.00	118.69	107.12	264.36	247.32

⌖ Included the proposed final single tier dividend of 6.0 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

Tan Beng Ling
Independent Non-Executive Director

Lim Chao Li
Non-Independent Non-Executive Director

Dr. Wong Siew Hui
Executive Director

AUDIT AND RISK COMMITTEE

Teo Koon Hong
Chairman, Independent Non-Executive Director

Cindy Eunbyol Ko
Member, Independent Non-Executive Director

Tan Beng Ling
Member, Independent Non-Executive Director

Lim Chao Li
Member, Non-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

Tan Beng Ling
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)

Tan Ai Ning
(MAICSA 7015852)
(SSM Practicing Certificate No. 202008000067)

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 27 April 2023

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.**
- 20.98% **Innity Corporation Berhad**
- 20.78% **104 Corporation (Taiwan)**

PROFILE OF DIRECTORS

Datuk Ali bin Abdul Kadir

Non-Independent Non-Executive Chairman
Malaysian, 74 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. 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 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2022.

Teo Koon Hong

Independent Non-Executive Director
Singaporean, 73 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2022.

Cindy Eunbyol Ko

Independent Non-Executive Director
American, 46 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2022.

Tan Beng Ling

Independent Non-Executive Director
Malaysian, 60 years of age, Female

Ms. Tan Beng Ling is an Independent Non-Executive Director of the Company. She was appointed to the Board of Directors on 9 September 2022. She is also a member of the Audit and Risk and Investment Committees. Ms. Tan graduated with a Bachelor of Business Administration from the National University of Singapore in 1987 and is a CFA (Chartered Financial Analyst) charter holder. She has more than 30 years' experience in investment research and fund management. She started her career as an economist with DBS Securities in Singapore, before returning to Malaysia as an equity analyst with Barclays deZoete Wedd Securities. She subsequently served with WI Carr, ArabMalaysian Securities and was one of the founding members and CEO of Surf88.Com, an online research service provider which was an associate of The Star, the leading newspaper in Malaysia. Ms. Tan joined the fund management industry in 2005 as the Chief Investment Officer of Meridian Asset Management, directly overseeing investments of more than RM1 billion in equities and fixed income. Before her retirement in July 2020, she was the Chief Investment Officer and a partner at Kumpulan Sentiasa Cemerlang Sdn. Bhd., which provides investment management services to institutions and high net worth individuals. Ms Tan is currently a director of Beshom Holdings Berhad.

Ms. Tan has attended one (1) Board Meeting of the Company held during the financial year ended 31 December 2022.

Lim Chao Li

Non-Independent Non-Executive Director
Malaysian, 57 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 as well as Audit and Risk Committees. 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 four (4) Board Meetings of the Company held during the financial year ended 31 December 2022.

Dr. Wong Siew Hui

Executive Director
Malaysian, 59 years of age, Male

Dr. Wong Siew Hui ("Dr. Albert") is an Executive Director of the Company and was appointed to the Board of Directors on 24 February 2023. 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. He 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.

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

CEO
Malaysian, 39 years of age, Male

Mr. Liong Wei Li is the Chief Executive Officer of the Company and was redesignated to this role from Acting Chief Executive Officer on 13 July 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, 58 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

Executive Director
Malaysian, 59 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 2022. As always, I hope you and your families are well and safe, making the best of the times that we are in.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2022, the Group recorded revenue of RM9.53 million, profit before tax of RM25.60 million and a profit attributable to shareholders of RM23.57 million, representing year on year ("yoy") increase of 50.0%, 40.0% and 40.3% respectively. The growth is brought about by an increase in dividend income from equity investments from RM3.46 million in 2021 to RM7.16 million in 2022. The Group's associate, in particular 104 Corporation, also posted a strong set of numbers which contributed to a 10.1% increase in our share of profits from associates. We had also continued to sell shares of 104 Corporation in the open market during the year which contributed gains amounting to RM5.03 million to our bottom line. The Group's operating expenses had increased slightly by 8.1% yoy with the increase attributed to staff returning to the office, higher professional fees and a slight increase in directors' fees. It is good to see growth in dividends received from our equity investments which is in line with our objective of growing free cash flows which can then be distributed back to you, our shareholders. The higher dividend income also means our dependence on our associates, in particular 104 Corporation, is gradually reducing and we can have a more diversified income base.

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 net profit attributable to shareholders being RM23.57 million, the Group's net assets only grew 1.1% yoy or RM3.92 million. The Group's equity investments designated at fair value through other comprehensive income ("FVOCI investments") had decreased by RM8.13 million during the financial year due in line with the bear market environment of 2022. Translation losses with respect to 104 Corporation also contributed to another RM7.29 million decrease to our net assets. After accounting for the payment of the final dividend for 2021 amounting to RM4.62 million, net assets or shareholders' funds increased from RM344.88 million in 2021 to RM348.80 million in the current financial year.

As at 31 December 2022, our total assets stood at RM350.79 million with shareholders' funds recorded at RM348.80 million (net asset per share of RM2.64), compared with RM346.78 million and RM344.88 million (net asset per share of RM2.61) as at the end of 2021. With liquid cash and short-term investments in money market funds totalling RM69.00 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 6.0 sen per share for 2022 (2021: 3.5 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 RM40.07 million in various investments predominantly in listed equity investments. 2022 was not a good year for stock markets in general. Russia's invasion of Ukraine, rising inflation and the cost-of-living crisis, the aggressive tightening of monetary policy across the world, China's fight against COVID-19 outbreaks and their Zero-COVID policy and property market woes and the ever-looming threat of a global recession, all worked in tandem to weigh down on markets and dampen investor sentiment. As a long term investor, we will consider putting money into the markets if our pre-determined investment criteria has been met. That being said, we do not engage in short term trading of stocks and as such, some of our investments could be currently trading below our entry costs. Financial markets could become even more volatile in 2023 as demonstrated by the recent Banking Crisis in March. I urge you to be patient as we execute our investment strategy.

I would also like to take this opportunity to welcome the new additions to our Board of Directors. We have Ms. Tan Beng Ling joining the Board in September 2022 as an Independent Director, bringing with her a wealth of experience in the area of investments in addition to contributing to the gender diversity of the Board. We also have Dr. Albert Wong Siew Hui joining the Board in February 2023 as an Executive Director. Dr. Albert is no stranger to us, serving as our Chief Technology Officer instrumental in the success of the JobStreet.com platform. We are also sad to bid goodbye to Ms. Cindy Eunbyol Ko, who has expressed her intention not to seek for re-election at the forthcoming 19th Annual General Meeting. On behalf of the Board, I would like to convey our appreciation and thanks to Ms. Cindy for her contributions serving on the Board and various Board Committees in the last four years, and also wish her all the best in her future endeavours.

GOING FORWARD

2023 may be a rocky year for investors. The worst of the COVID-19 pandemic may seem behind us now, but its full impact on the global economy may still play out in the years to come. Prices of goods and services have spiked due to the pandemic and inflation has been on the rise around the world. Aggressive interest rate hikes are beginning to bite and slow the rate of inflation but it remains to be seen if such a concerted effort of raising rates will result in economies going in reverse and fall into recession. China's recent lifting of its Zero-COVID policy will bode well for the global economy but it is also highly dependent on its ability to contain any further COVID-19 outbreaks among its relatively under vaccinated population. There is also the worrying possibility of the emergence of new variants of interest that are highly transmissible and able to evade vaccines. Russia's invasion of Ukraine is still ongoing and that will continue to keep prices of certain commodities high and undermine the intended effects of interest rate hikes. Economic growth of several European nations including Russia will also continue to be impacted by the ongoing conflict. Despite the gloomy outlook, work continues here at JcbNext, to find undervalued gems: resilient companies with good business fundamentals that will allow them to ride out this storm, and hopefully we will all be able to enjoy the fruits of this effort in the years to come.

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 CHIEF EXECUTIVE OFFICER

Overall performance

For FY2022, our company recorded a revenue of RM9.5 million, an increase of 50.0% from the RM6.4 million in FY2021, according to accounting standards. Net profit attributable to shareholders for the financial year rose to RM23.6 million, 40.3% higher than the RM16.8 million figure in FY2021. Among developments captured in the RM23.6 million profit included: i) RM1.0 million foreign exchange gain, and ii) RM5.0 million accounting gains on disposal of investments.

However, as shared previously, revenue and profitability figures might not truly explain the economic substance of our company, due to the nature of our business. The following are a number of key data points that the management focuses on, that I hope would give you a more complete picture of our performance:

1. As at 31 December 2022, the book value (BV) of our company stood at about RM348.8 million, the biggest component of which are RM262.8 million in marketable securities including stakes in our listed associate companies, RM69.0 million in cash and money market funds and RM18.4 million in investment properties, with no material debt. This book value figure increased by only approximately 1.1% compared to 2021.

2. If we had calculated the value of our assets using the market prices of our associates (104 and Innity), rather than what is shown on our balance sheet, the figure, which we would loosely call the Net Asset Value (NAV), would be RM446.4 million in 2022, an increase of about 4.9% compared to 2021.

3. We made better progress with income generation, as our assets generated dividends, interest and rental incomes of about RM21.3 million in 2022 before taxes, a 42.4% increase from RM14.9 million in 2021. This is thanks mainly to an increase in dividends received from our associate company 104 Corp, the HKEX-listed Lion Rock and our new equity portfolio.

4. Our share of the economic profits from our associate companies 104 Corp and Innity has continued to increase to RM14.7 million, from RM13.3 million in FY2021 and RM8.4 million in FY2020. However, the timing of 104 Corp’s dividend payment means it would only be reflected in our cash flow in the following financial year. In 2022, we received a dividend of RM12.1 million from 104 Corp, before taxes.

5. Meanwhile, staff costs and other operating expenses at our investment holding operations were RM3.7 million in 2022, an increase of about 4.9% from 2021. This excludes forex gains or losses. The RM3.7 million figure is about 0.9% of our 2021 year-end NAV of RM425.5 million.

6. Deducting taxes and making some other minor adjustments, the free cash flow generated by our business is estimated to have increased by about 62.2% from RM9.0 million in 2021 to RM14.6 million in 2022, of which about 50% we would propose to pay out as dividends.

Larger business investments

As shared in the previous two annual letters, our aim is to help our shareholders *preserve their purchasing power, grow their wealth gradually and provide a regular income stream through a distribution of dividends*. We hope to build up a collection of good businesses at JcbNext for us to achieve that, either holding a majority/controlling stake, or more likely a smaller piece of the business. The focus is on improving the amount of dividend per share we could pay out over time, while managing the downside risks of our portfolio by working towards a diversified, conservative and sustainable portfolio.

<u>104 Corp</u>
Our largest investment is 104 Corp in Taiwan, which continued to perform tremendously in 2022 with profits after tax increasing by 20.6% year-on-year, after growing 43.2% in 2021. As shared previously, the many years of hard work by the management team refining their products and taking care of their stakeholders has left them with many loyal customers. Further, we like how the company has a corporate culture that focuses on long-term goals and is socially conscious.

As shared previously, the nature of 104 Corp's business has allowed the company to grow without requiring much capital reinvestment, and thus most of its profits can be distributed as dividends to shareholders. The company has again announced that they intend to pay out 100% of their 2022 profits as dividends later this year and our share of that should work out to about RM12.3 million after taxes, based on our end-2022 shareholding. Our cost of investment of those shares is about RM71.2 million and a dividend figure of RM12.3 million would mean a yield of 17.2% on our cost. We first invested in 104 Corp in 2008 as a part of a strategic plan to expand JobStreet's online footprint with a significant stake in the #1 player in Taiwan. 104 Corp's particularly strong performance in the past two years has shown that we need both good luck for finding such an amazing business and management team – but also the patience to hold on to them for the long term.

That said, I would caution against expecting the exceptionally high growth rates of 104 Corp in the last two years to continue for any sustained period of time going forward. The competitive nature of the capitalist system usually does not allow for such staggering growth figures to persist for too long, as much as we love the business and management team. This would also mean that we should not expect the dividends that we receive from 104 Corp to continue to increase at the same rate.

Over the last year, we have reluctantly continued selling down a small portion of our holdings in 104. The decision is driven almost entirely by our hope to diversify our portfolio slightly as the carrying value of our 104 shareholding is still about 32.2% of our book value as at the end of 2022. The sales were done through open market transactions and we continue to believe that the buyers should be very happy and proud new owners of such a tremendous business.

<u>Other larger business investments</u>
Lion Rock in Hong Kong saw profitability improved 101.2% in 2022 from the previous year. Its foray into the publishing industry through an investment into the London-listed Quarto has paid off. In 2017, when Lion Rock first announced a stake in Quarto, the London-headquartered book publisher just made a loss of USD5.2 million and was sitting on a net debt of USD75.8 million. Last month, Quarto announced a profit of USD16.6 million for 2022 and the net debt level has been reduced to USD 0.6 million. I do not need to wax lyrical about the success of the Lion Rock team helping Quarto's turnaround - the results have spoken

for themselves and we are grateful to have such capable owners/ managers at Lion Rock taking care of the business.

Hastings in Australia has also continued to make progress in the financing and operations of its Yangibana rare earth mine. A significant development last year was the company's strategic acquisition of a stake in the Toronto-listed company Neo Performance Material, described as the first step in its Hastings 2.0 strategy to create a fully integrated mine-to-magnet supply chain business. As Hastings is a pre-production mine, it carries a higher risk-reward characteristic than most of the other members of our portfolio.

Our ACE market-listed associate Innity reported a slight loss in 2022, compared to a RM3.1 million profit in the previous year.

As with previous years, my colleague has prepared a much more detailed (and better!) description of the corporate developments for some of our investments in the MD&A segment of this annual report for your reading.

Equity portfolio

In the last year, we continued to build up small stakes in public-listed businesses in the Asia Pacific region. We invested another RM33.60 million into this equity portfolio, bringing our cost of investment in this portfolio to RM88.1 million as at the end of 2022. In the first quarter of 2023, we invested a further RM0.3 million, bringing the total portfolio to RM88.4 million at cost.

Our equity portfolio consists of 26 companies and 2 ETFs as at the end of Q1 2023. It is quite heavily skewed towards businesses that have traditionally paid out a good amount in dividends, with banking and insurance companies in China making up about 36.3% of the portfolio. As at the end of Q1 2023, about 65.4% of this equity portfolio is invested in Chinese companies, and the rest in countries including Malaysia, Hong Kong, Australia, Singapore. We believe that these companies can offer a solid base from which we could build up a long-term portfolio.

A big part of our new investments last year were in three categories: Chinese ETFs, Chinese tech companies, and Chinese insurance companies. We see these investments as a way for us to increase our exposure to the Chinese economy, as we view the long-term prospects of the country favorably and believe that geopolitical tensions have given us an opportunity to own some of these businesses at good prices.

Note also, we have not sold any investments within this new equity portfolio since we started building it up in 2020. By design, our portfolio turnover will be significantly lower than a more traditional fund management firm. As described in my letter to you last year: *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*.

In 2022, this equity portfolio generated RM4.4 million in dividend inflow to us before taxes, from RM1.2 million in 2021, and we hope that this number will grow as we continue building up the portfolio and the underlying businesses continue their recovery/ growth. On a cost of RM88.1 million, the portfolio generated a dividend yield of 5.1% in 2022, though it should be noted that this included a special dividend of almost RM700,000 from a "deep value" situation unlocking. While most of these businesses should still experience decent growth, I believe we have invested in them at prices low enough to offer good dividend yields even if the growth does not materialize – a good margin of safety.

As described in last year's letter, the cash inflow generated by our investments, including companies in this equity portfolio, would be partially distributed as dividends back to our shareholders, and partially reinvested into more businesses. Having a steady flow of dividend inflow would give us more confidence in investing a portion of it into businesses with a higher risk/reward characteristic, or in "deep value" situations where the value of the investment might take a very long time to be unlocked (if at all).

Cash

As at the end of 2022, we held around RM69.0 million in cash and cash equivalents, which is about 19.8% of our net book value, and is down from RM88.5 million a year ago. The percentage figure would be about 15.4% if we calculated it based on our Net Asset Value of RM446.4 million.

To deploy this cash, the team will continue to work on identifying businesses with favorable economic characteristics – and then patiently wait for the market to give us an opportunity to invest in them at attractive prices. We imagine that there could be months or even years when there will not be much buying/ selling actions at our company, but a burst of activities could happen within a few days if the market gives us that opportunity. Charlie Munger likened investing to a man standing by a river trying to spear a fish - the fish might only come by once a week, or once a month, or only once every 10 years, but when it swims by, we have to be there to throw the spear fast before it swims away!

We will continue to build up our database of good businesses and work on becoming more "nimble" in deploying our cash.

Interest rates

The investment environment of the last decade has been characterized by a period of low interest rates. When rates are low, most alternatives to cash appear highly attractive. In many developed economies, fixed income assets that yielded less than 1% per annum or in the most extreme of cases producing negative yields (i.e. we invest today to get back less money in the future) were deemed as unenviable but necessary investments for many fund managers. Even "junk bond" yields, in some instances, halved from their historical averages.

In the past few years, our company lost out on many investment opportunities, both in public and private companies, as we were not willing to pay as high a price as many other market participants do – we were unsure whether rates would remain at such low levels for the long term. Some investors rode the rising tide and did exceptionally well in 2020-2021. However, since the end of 2021, a tightening of monetary conditions in many countries via rate hikes and the withdrawal of liquidity, has cause some market corrections – and we are monitoring further how things could still unravel.

If we had invested in equities, bonds or other assets happy with targeting or locking in a much lower yield/ return, we could have made good "paper gains" during the last 2-3 years, as a persistently low interest rate environment re-anchored investors' expectations and pushed up valuations. However, it's likely that those paper gains would have evaporated by now if we had held on to the investments.

There are very successful investors who can time such "macro" movements very well, entering the party right when the music starts and exiting on the very last beat of the final dance. However, I believe this is not a skill set that we could develop easily, and nor do we have any competitive edge at doing so. We intend to continue focusing on finding “hidden gems” in the market, preferably those regarded as unloved stones by the others, regardless of the anticipated direction of the general market.

Back at the office

Our team fully returned to the office in September 2022 and I am grateful that the transition back has been smooth. We continue to adopt some of the practices and tools that we introduced during the pandemic days, which have been helpful to improve our productivity. However, there is no replacement for the face-to-face interactions and spontaneous discussions that returning to the office offers. The team has been a joy to work with.

The beginning

Lastly, allow me again to convey a special thanks to our long-term shareholders. My pledge from last year still holds – we cannot promise instant results, but we would continue to treat you as “partners”, keep our interests aligned, and continue to build up a portfolio of good businesses for all of us.

CEO
Lionel Liong Wei Li
28th April 2023

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 content website. JcbNext also has quoted investments in Malaysia, Hong Kong/ China, Australia, Singapore and Europe and owns a 8-storey office building in Kuala Lumpur and a 2-storey shoplot office in Johor.

THE STATE OF THE GLOBAL ECONOMY IN 2022

Let’s start with a recap of the state of the global economy in 2022 before we dive into the performance of the Group in detail. After expanding 5.5% in 2021 as a result of low-base effect, the world economy only grew by 3.4% in 2022. The year began with the battle against COVID-19 still ongoing, after the highly transmissible Omicron variant made its debut late in 2021. Many countries were facing rising inflation which began in mid-2021. To add to the already delicate situation, Russia invaded Ukraine on 24 February 2022, sending shockwaves across the globe and dealing a massive blow to any hopes of a sustained economic growth. The war in Ukraine unleased a new crisis, disrupting food and energy markets and exacerbating food insecurity and malnutrition, triggering a global cost-of-living crisis. At the same time, the climate crisis has taken a heavy toll on many countries, with heat waves, wildfires, floods and hurricanes inflicting massive humanitarian and economic damage.

Russia is the world's largest exporter of grains, natural gas, and fertilisers, and among the world's largest suppliers of crude oil and metals. The invasion threatened the energy supply from Russia to Europe, with natural gas prices in Europe soaring to a record high of 345 euros per megawatt hours in March and Brent oil prices rising above USD130 a barrel for the first time since 2008. This caused European countries to seek to diversify their energy supply routes. At the time of the invasion, Ukraine was the fourth-largest exporter of corn and wheat, and the world's largest exporter of sunflower oil, with Russia and Ukraine together responsible for 29% of the world's wheat exports and 75% of world sunflower oil exports. On 25 February, the benchmark Chicago Board of Trade March wheat futures contracts reached their highest price since 2012, with the prices of corn and soybean also spiking. The invasion of Ukraine has also triggered unprecedented economic sanctions that have targeted large parts of the Russian economy, Russian oligarchs and members of the Russian government. Such sanctions include bans on Russian imports which include oil and gas, bans on high-tech exports to Russia, removing Russia from the international financial messaging system Swift, freezing the assets of Russian banks held overseas and sanctions on more than 1,000 Russian individuals and businesses. Russia has counter reacted by imposing export bans on a string of products. To the surprise of many, the invasion by Russia was met by stiff resistance from the Ukrainians and sadly till today, the invasion is still ongoing with tens of thousands of lives lost in the last 14 months.

Three years after COVID-19 burst onto the scene, the world appears to have turned the corner on the first global pandemic in a century. In September, the head of the World Health Organization declared that the end of the pandemic is in sight and this was evident by the fact that many countries had begun to abandon the lockdowns, travel restrictions, and related measures that they had imposed when COVID-19 swept across the world in early 2020. They were able to do so because of the success of vaccines and therapeutic treatments in lowering COVID-19 fatality and because many of their citizens had already been infected and developed natural immunity. The one exception to this trend was China which saw multiple large COVID-19 outbreaks in Beijing and other densely populated localities. Renewed lockdowns accompanied the outbreaks until the relaxation of COVID-19 restrictions in November and December, which paved the way for a full reopening in Q1 2023. By the end of 2022, the global cumulative cases of infections had exceeded 740 million with 6.7 million deaths.

The battle against inflation was high on the agenda of many central banks in 2022 especially among advanced economies. A worldwide increase in inflation began in mid-2021, with many countries seeing their highest inflation rates in decades. It has been attributed to various causes, including pandemic-related economic dislocation; the fiscal and monetary stimuli provided in 2020 and 2021 by governments and central banks around the world in response to the pandemic were also instrumental. Unexpected recovery in demand through 2021 ultimately led to historic and broad supply shortages (including chip shortages and energy shortages) amid increasing consumer demand. The Russian invasion of Ukraine's effect on global oil prices, natural gas, fertiliser, and food prices further exacerbated the situation. Higher gasoline prices were a major contributor to inflation as oil producers saw record profits. Global inflation rose to 8.8% in 2022 from 4.7% a year earlier. The US started the year with inflation at 7.04%, peaking in July at 9.06% before subsiding and ending the year at 6.45% and these are elevated levels not seen since the early 80s. In the UK, inflation rose to 11.1% in October, a 41-year high. Malaysia’s headline inflation increased to 3.3% in 2022 compared with 2.5% in 2021. Central banks responded by aggressively raising interest rates. The US Federal Reserve (“Fed”) raised interest rates in every successive committee meeting in 2022 by a total of 4.25%. Similarly, the Bank of England raised interest rates by a total of 3.25% during the year. Locally, Bank Negara had increased the Overnight Policy Rate (“OPR”) by a total of 100 basis points to 2.75%. When interest rates are raised, it reduces demand for goods and services, and hopefully that slows the rate of inflation at the same time. However, companies may respond to the lower demand by cutting output but in so doing, companies may hire less or even lay off their workers and potentially lead to the much-feared recession. Fortunately, the world did not fall into a global slump in 2022 but recession is still on the cards, one that has most likely been postponed to 2023, especially among major advanced economies. The US economy created strong jobs growth throughout 2022 and well into 2023. Its unemployment rate hovered between 3.5-4% throughout 2022, its lowest in the last 50 years. Yearly wage growth remained stubbornly high at 6.9% in December 2022 despite the Fed’s rate hikes.

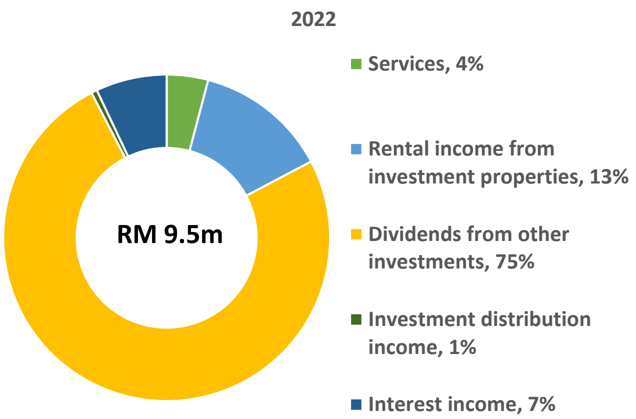
Let’s now look briefly at how the China economy had performed in 2022. China’s economy expanded by just 3% in 2022 (2021: 8.4%), marking one of the worst performances in nearly half a century. Growth was impacted heavily by months of widespread COVID-19 lockdowns and a historic downturn in the not one market. On the demand side, investment was the key driver of growth in 2022. Nominal fixed asset investment grew by 5.1% marked by solid growth in manufacturing and infrastructure investment while real estate investment contracted. Household consumption plunged from a 12.6% expansion in 2021 to 0.2% contraction in 2022. Retail sales contracted by 2.8% in 2022. On the supply side, the secondary sector, particular construction driven by high infrastructure investment, became the main contributor to growth. Services were hit hard by the pandemic, decelerating from 8.5% in 2021 to just 2.3% in 2022. Service growth was dragged down by declines in real estate services, accommodation, catering and transportation, reflecting COVID-19 restrictions. The labour market faced several headwinds in 2022. Frequent but unpredictable lockdowns and resulting economic downturns prompted firms to delay hiring. Tighter regulation of technology, education and property enterprises also weighed in on the labour market. China's inflation remained moderate, coming in at 2% in 2022, well below the official target of around 3%, thus allowing ample room for further policy loosening to support the economy.

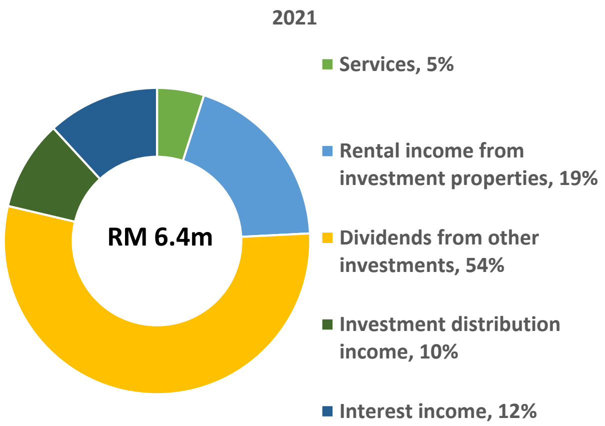
A discussion on the state of the global economy would be incomplete without a brief look at Malaysia's economy. In the face of global challenges, Malaysia's economy continued to post a strong recovery, growing by 8.7% in 2022 (2021: 3.1%). Our economic recovery in 2022 was largely driven by stronger domestic demand as economic activity normalised. However, the pace of recovery varies across different economic sectors. While economic activity in export-oriented industries thrived, some sectors such as that of the leisure-related services remained below pre-pandemic levels. Headline inflation averaged higher in 2022 at 3.3% (2021: 2.5%). The surge in global commodity prices and prolonged supply-related disruptions were key factors that resulted in cost-push inflationary pressures. The continued US dollar strength against the Ringgit also led to higher import prices, which added to the cost pressures. Strengthened domestic demand following the economic reopening also contributed to the increasing inflationary pressures. However, upward pressures on prices were partly contained by domestic price controls, subsidies and prevailing spare capacity in the economy. Political instability continued in 2022 with the general elections and change of government in November.

As for stock markets worldwide, the year began with optimism that a post pandemic economic recovery was gathering momentum and supply chain bottlenecks were beginning to ease. Markets then began to slide as inflation continued to rise and Russia invaded Ukraine. The Fed started raising interest rates in early March but investors shrugged it off as the increase was less than expected. Markets started to plunged in the second quarter as inflation continued to rise around the world and reached 8.5% in the US with the Fed raising interest rates again and warning that rate hikes might become more aggressive. The decline continued into the remainder of the year with more negative developments: the Fed warned that rate hikes were likely to continue for some time; Russia cut off gas supplies to Europe; economic data in China worsened; the crisis in China's property market; corporate results began to show the effects of inflation and the strong USD on profit margins and political instability in the UK. By the end of 2022, the MSCI All-Country World Index had lost about a fifth of its value in what Bloomberg calls the "$18tn rout", its worst performance since 2008. Tech stocks were particularly hit. Nasdaq closed at 10,466 points, a decline of 33.1%. The high growth nature of businesses in the Nasdaq Composite left them particularly susceptible to rising interest rates, exacerbating the index's underperformance compared to others. The S&P 500 closed the year at 3,840 points, a decline of 19.4% while the Dow Jones Industrial Average fared slightly better, coming down 8.8% to close at 33,147 points. It was no different in Europe either with the Stoxx 600 index closing the year with a 12.8% loss. China's stock market wrapped up one of the bumpiest year in 2022 with the benchmark Shanghai Composite Index finishing with a loss of 15.1% from 2021. Similarly, Hong Kong's Hang Seng Index fell 15.5% yoy in 2022. On the local bourse, banking stocks as well as certain commodity and oil and gas-related counters saw a good run on the back of rising interest rates and commodity prices environment. Besides the negative macro developments around the world, the performance of the FBM KLCI was also affected by domestic political uncertainty. The FBM KLCI ended the year at 1,495.49 points, 4.6% lower than in 2021.

2022 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 2022 and 2021 are as depicted below:-





As the Group is principally in investment holding, the biggest contributor to group revenue is dividends from equity investments at 75% of revenue or RM7.16 million in 2022. This is followed by rental income at 13% and together with dividend income, contribute 88% of group revenue. Services, interest income and investment distribution income combined to contribute the remaining 12% of group revenue. The increase in the contribution of dividend income from 54% to 75% of group revenue in 2022 is in line with the Group's deployment of its cash to acquire equity investments in the last 2 years.

Total revenue had increased by 50.0% in 2022 primarily from an increase in dividend income from equity investments from RM3.46 million in 2021 to RM7.16 million in 2022. However, the increase in dividend income was partially offset by a decrease in interest income and distributions from money market funds ("MMF") from RM1.35 million in 2021 to RM0.72 million in 2022. The lower returns on our cash and MMF was due to the Group's continued deployment of its funds to acquire equity investments during the year as noted in the decrease in its cash and investments in MMF from RM88.55 million at the end of 2021 to RM69.00 million at the end of 2022. In addition, the MMF has reduced its income distributions (the undistributed interest income increases the net asset values of the funds).

Dividend income from equity investments had increased by 106.9% year-on-year ("yoy") to RM7.16 million in 2022 from RM3.46 million in the preceding year. This was in line with the increase in the size of the Group's Equity Portfolio which grew from a total investment cost of RM92.03 million at the end of 2021 to RM132.11 million at the end of 2022. Investments in this Equity Portfolio, with the exception of Lion Rock, were gradually acquired in recent years since 2020. Dividends received from Lion Rock had increased to RM2.72 million in 2022 from RM2.25 million in the previous year. During 2022, the Group continued to receive dividends amounting to RM12.15 million from it associate, 104 Corporation, although such dividends are not accounted for as revenue.

Rental income from investment properties had increased slightly from RM1.22 million in 2021 to RM1.25 million in 2022. The total area leased to the tenant 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. As reported last year, the tenant for Wisma JcbNext has formally notified the Company of its intention to move out by 28 February 2023, with the option of extending the tenancy by another 6 months if needed. The tenant had subsequently exercised this option and extended the tenancy to 31 August 2023. The Group's other investment property, a 2-storey shoplot office in Johor, remained untenanted throughout 2022.

In terms of services, the Group derives revenue predominantly through its subsidiary in Japan which provides consulting services on a small scale. The Group did not invest to expand the Autoworld automotive content website in 2022 but nevertheless, the Group continued to update the website. Total revenue from the provision of services in 2022 had increased marginally to RM0.39 million compared with RM0.32 million in 2021.

The Group's operating expenses in 2022 amounted to RM5.23 million, an increase of 8.1% compared with the previous year's operating expenses of RM4.84 million. Other operating expenses had increased by 15.8% to RM2.29 million compared with RM1.98 million in 2021. In general, the increase in operating expenses was attributable to staff salary increments, higher expenses related to staff returning to the office, a slight increase in audit related expenses, higher custodian expenses (classified under professional fees) in line with the increase in the size of the Group's Equity Portfolio and a slight increase in directors' fees in line with the addition of a new director.

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

	2022	**2021**
Group	**RM**	**RM**
Foreign exchange losses	81,402	-
Professional fees	866,435	807,589
Directors' fees	343,738	285,000
Office expenses	210,572	160,280
Security costs	157,995	148,977
Utilities	288,147	228,361
Staff benefits	92,651	95,715
Quit rent and assessments	63,525	38,798
Travelling	6,046	6,078
Telecommunication	21,331	23,078
Insurance	42,921	40,678
Miscellaneous	118,527	147,984
	2,293,290	1,982,538

The Group continued to rely a great deal on our associates, primarily 104 Corporation, to contribute to the Group's earnings in 2022. 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. The Group had begun investing into 104 Corporation in 2007 as part of a strategic plan back then to expand JobStreet's online recruitment footprint with a significant stake in the No.1 player in Taiwan. We had then continued to increase our investment in 104 Corporation until the stake was big enough to achieve associate status in 2010. Taiwan's GDP slowed to 2.5% growth in 2022 as weaker global demand weighed on exports and investment, though consumption rebounded. The external sector weakened substantially, and net exports cut 0.7 percentage points from growth. Export growth braked from 17.3% in 2021 to 2.4% as imports grew by 4.5% on elevated prices for imported oil and higher imports of machinery and electronics. As a result, the current account surplus narrowed from the equivalent of 14.8% of GDP in 2021 to 13.3%. Investment was strong in the first half of the year but tapered off in second half as firms postponed capacity expansion, tamping down investment growth from 17.3% in 2021 to 4.1% in 2022. Investment was nevertheless the second largest driver, contributing 1.1 percentage points to growth. Consumption bolstered growth, as COVID-19 restrictions were lifted and the government incentivized travel and spending through a stimulus package to boost the tourism industry. Private consumption rebounded by 3.6% and was the main driver of growth, contributing 1.6 percentage points, while government consumption grew by 3.4% and contributed 0.4 points. On the supply side, agriculture contracted by 1.9%, shaving growth by 0.03 points; industry, driven by manufacturing, added 0.8 points; and services contributed 1.4 points as relaxed COVID-19 restrictions reinvigorated the sector.

Taiwan's inflation averaged 2.9% in 2022, its highest in over a decade as commodity prices surged. Inflation came largely from higher food prices as the Russian invasion of Ukraine drove prices for agricultural and industrial raw materials higher, while government measures to stabilise prices, including price controls on energy products such as liquefied petroleum gas, mitigated the impact of higher global oil prices. Residential rent was also a major contributor to inflation. The central bank tightened monetary policy, but fiscal policy remained supportive of growth. The central bank hiked its policy rate four times in 2022 for a total increase of 62.5 basis points to 1.75%. On the fiscal side, the government continued to provide COVID-19 policy support with relief and stimulus loans offered to smaller enterprises and upskilling programs and subsidies to workers affected by the pandemic. Government revenue equalled 11.9% of GDP in 2022, and expenditure 11.8%, broadly unchanged from the previous year.

Under the aforementioned circumstances, 104 Corporation's revenue in 2022 had increased 17.7% yoy to NT$2.18 billion compared with NT$1.85 billion in 2021 with the growth attributed to its Job Bank and HR Academy businesses. With the increase in revenue and lower rate of increase in operating expenses, its profit before taxation increased by 28.7% yoy to NT$523.74 million compared with NT$407.02 million in 2021 while the net profit attributable to shareholders increased 20.2% yoy to NT$445.26 million compared with NT$370.44 million in the preceding year. Our share of profit from 104 Corporation in 2022 had increased to RM14.67 million compared with RM12.66 million in the preceding year. The balance sheet of 104 Corporation remains solid with cash holdings of NT$2.85 billion at the end of 2022. In line with the increase to its profits, 104 Corporation has recently announced a dividend of NT$13.41 per ordinary share representing 100% of their net profit attributable to shareholders for the 2022 financial year, which will be paid out later this year. In 2022, the Group had disposed a small portion of its holdings of 104 Corporation in the open market and in the process, the Group recorded gains on disposal of the said shares amounting to RM5.03 million. We sold 104 Corporation shares as the investment in the company represented a concentration risk on the Group's balance sheet. It is not a case where we want to 'take profit' by selling when the share price is high, or make a 'trading profit' by selling some shares now and buying back later. Going forward, the pace and quantum of selling 104 Corporation shares will depend on many factors including the liquidity of the shares and/or interest from third parties. Further, the need to reduce concentration risk will decrease as the rest of our portfolio grows. Our investments, including 104 Corporation, continue to be long term in nature, with the objective of deriving dividend income and distributing those dividends onwards to our shareholders. As at 31 December 2022, the Group has an equity interest of 21.74% in 104 Corporation, down slightly from 22.66% a year ago.

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.

By the second quarter of 2022, most of Innity's business units have re-opened in tandem with the reopening of international borders and welcoming international travellers as life returns to normalcy. In line with the reopening of businesses, the growth momentum in consumer spending was mainly outdoors/offline. As a result, advertisers shifted advertising spending from digital to offline. Digital advertising spending started to slow sharply since Q3 2022 and continued to slow down in Q4 as compared to pandemic highs in Q2 2021. Consequently, Innity's group revenue declined by a marginal 1% or RM0.76 million to RM119.22 million in 2022 compared with RM119.97 million in 2021. In tandem with the decrease in revenue, the group posted a loss after tax of RM0.63 million compared to a profit after tax of RM3.06 million in 2021. Other operating expenses had also increased by approximately 9% or RM4.39 million to RM51.17 million in 2022. Higher staff costs, selling and marketing expenses and administrative expenses were incurred in 2022. Following the removal and relaxation of international border restrictions, economic activities were normalised which led to an increase in sales and marketing expenses in 2022. Higher administrative costs were mainly due to an increase in foreign currency losses. The increase in staff costs was mainly due to staff retention initiatives. Our share of profit from Innity in 2022 had decreased to a loss of approximately RM17,000 compared with a gain of RM0.65 million a year ago. As at 31 December 2022, the Group has an equity interest of 20.98% in Innity.

Overall, the Group's net profit attributable to shareholders for 2022 surged 40.3% yoy to RM23.57 million from RM16.80 million in 2021. Firstly, as explained earlier, this was due to higher revenue which had increased by 50.0% yoy. Secondly, share of profits from our associates increased by 10.1% to RM14.65 million from RM13.31 million in 2021 and this was mainly attributed to 104 Corporation. Lastly, the Group sold more shares of 104 Corporation in 2022 compared to a year ago, resulting in an increase of 216.7% in gains recognised from these disposals to RM5.03 million in 2022 compared with RM1.59 million in 2021. Upon closer inspection of the results, if we exclude the gains on disposal of 104 Corporation shares, the contribution of associates to our bottom line has reduced from 87.5% in 2021 to 79.0% in 2022. This was in line with the increase in the size of our Equity Portfolio which had resulted in a 106.9% increase in dividend income. We hope that as we continue to grow our Equity Portfolio and receive more dividends from our equity investments, the Group's dependence on our associates, namely 104 Corporation, will gradually decrease to an acceptable level. Earnings per share amounted to approximately 17.85 sen per share. The Company will continue to pay dividends based on its 'free cash flow'. To this end, the Board has recommended the payment of a final dividend of 6.0 sen per ordinary share to be paid after the forthcoming AGM.

The Group's net assets attributable to shareholders grew by 1.1% yoy to RM348.80 million as at 31 December 2022 compared with RM344.88 million at the end of the previous year. On a per share basis, this translates to RM2.64 per share with the Company's shares quoted at a price of RM1.28 as at 31 December 2022.

OVERVIEW OF INVESTMENTS AND CASH RESERVES

The Group's investments and cash reserves comprise of:

Group	**2022 RM**	**2021 RM**
Investments in associates		
- 104 Corporation	112,460,289	120,895,458
- Innity	13,245,277	13,033,037
	125,705,566	133,928,495
Financial assets at fair value through other comprehensive income		
- Lion Rock	28,182,195	24,322,492
- Hastings Technology Metal	15,210,193	17,533,864
- Banking and insurance	30,157,104	22,576,841
- Other quoted investments	55,043,947	31,006,099
- Unquoted investments	8,533,350	10,011,009
	137,126,789	105,450,305
Financial assets at fair value through profit or loss		
- Money market unit trust funds	22,384,799	-
Cash reserves		
- USD	6,350,544	852,290
- HKD	4,356,680	4,535,469
- SGD	9,098,191	20,642,263
- RM	26,463,819	61,735,529
- Others	341,791	780,243
	46,611,025	88,545,794
	331,828,178	327,924,594

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 decreased by 6.1% in 2022 to RM125.71 million. Against the Taiwan dollar, the Ringgit had strengthened from TWD1:RM0.1506 as at end 2021 to TWD1:RM0.1428 as at end 2022 and this contributed to a decrease of RM6.26 million in the carrying value of 104 Corporation on our balance sheet. Disposals of 104 Corporation shares during the year had also contributed to a decrease of RM4.86 million in the carry value of 104 Corporation. In addition, while the share of profit from 104 Corporation for 2022 amounted to RM14.67 million, the dividend received from 104 Corporation during 2022 based on its 2021 net profit amounted to RM12.15 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 2022 which shows that the dividends it received from 104 Corporation, Lion Rock and other investments in quoted securities totalling RM19.31 million being more than sufficient to cover the RM3.86 million working capital utilised in 2022.

The largest investment under the FVOCI category is Lion Rock with a carrying value of RM28.18 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 business that the Group had invested in from 2011 to 2013 at a total cost 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 2022, the Group held an equity interest of approximately 7.0% in Lion Rock. For the financial year ended 31 December 2022, the dividend yield on Lion Rock was 10.9% (2021: 9.5%). During the year, the Group had received RM2.72 million in cash dividends from Lion Rock, up 20.7% from the RM2.25 million dividends received in 2021. On 31 March 2023, Lion Rock announced a final dividend of HK$0.07 per share and a special dividend of HK$0.03 per share to be paid on 19 June 2023 after the conclusion of its upcoming AGM. The fair value of the Group's investment in Lion Rock had increased by 15.9% in 2022 in line with the appreciation of its share price from HKD0.84 at the end of 2021 to HKD0.92 at the end of 2022.

Based on the disclosures in Lion Rock's Annual Report 2022, Lion Rock said that the COVID-19 pandemic and the war in Ukraine have shifted the competitive landscape of the global printing industry. Western print manufacturers are faced with the mounting costs of labour and energy, which have reduced their competitive advantage. Moreover, the decommissioning of paper mills in the US and Europe has created a supply bottleneck for uncoated woodfree paper. This paired with the introduction of stringent environmental policies has further limited the capacities of Western printers. Lion Rock added that freight was also an immense hurdle to overcome during the COVID pandemic. Nevertheless, since mid-2022, notwithstanding the blank sailings and other initiatives taken by the shipping alliances to support freight costs, the January 2023 shipping cost witnessed a drastic reduction of over 80% against record prices in the summer of 2022. As shipping demand decreased and port operations returned to a state of normalcy, companies are becoming increasingly inclined towards Far East printing as a viable option again. Lion Rock also forsees the gradual loss of the Chinese printer's competitive advantage in the long term. The cost of labour in China will continue to rise as the population becomes more educated and moves away from labour-intensive employment opportunities. It also opined that due to the decreasing population size, the labour pool will decrease, and China's population dividend will be eroded. As China's economy grows, land and material costs will increase as well, further limiting the sustainability of China's advantage. Lion Rock views South-East Asia emerging as an appealing, cost-effective alternative to traditional manufacturing centres. Abundant, cheap labour and investment-friendly government policies have enticed many multinationals to set up manufacturing bases in the area, driven in part by the US-China trade war and the West's manoeuvre to decouple from China. Despite facing a challenging book market and volatile supply chain, Lion Rock reported a stellar set of results in 2022. The group's revenue for the year increased by 43.7% to HK$2,496.09 million from HK$1,737.62 million in the previous year. The increase was attributed to the inclusion of the results of The Quarto Group ("Quarto") since April 2022, contributing approximately HK$875.9 million of revenue to the new book publishing segment. Profit attributable to shareholders amounted to approximately HK$219.91 million, up 66.0% from the previous year. Other than the increase in revenue, the group had also recognised a fair value gain on disposal of associate of HK$31.3 million as a result of derecognising Quarto as an associate.

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. Prior to the expiry of the options, the Group had on 12 April 2022, exercised 8,153,811 options with the balance having been disposed in the open market earlier. Sometime in June 2022, Hastings had consolidated its shares on a 1 for 20 basis. As at 31 December 2022, the Group has an equity interest of 1.14% in Hastings. Despite an additional investment of RM6.42 million during the year pursuant to the exercise of the share options, the carrying /fair value of the Group's investment in Hastings had decreased by 6.75% during the year, mainly due to the fall in its share price from AUD5.20 (on a post consolidated basis) at the end of 2021 to AUD3.52 at the end of 2022 and the weakening of the Australian dollar against the Ringgit by 1.3% in 2022.

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 ("NdPr") outside of China and expects to supply 6-8% of global NdPr demand. Based on Hastings' reports, the project's total capital expenditure estimate is approximately AUD582 million (AUD658 million inclusive of contingencies) after accounting for inflationary pressures, including skills shortages, COVID-19 impacts on global supply chains and higher material costs.

Based on reports from Hastings, an early works program costing AUD20 million to deliver key initial enabling infrastructure and access roads commenced in Q3 2021 and was 63% completed at the end of 2022. The main plant construction is planned to commence in 2023 beginning with the Yangibana processing plant and ending with the completion of the Onslow hydrometallurgical plant in Q3 2024. Production is slated to begin thereafter with sales to follow in 2025 over a period of approximately 17 years and a production capacity of 15,000 tonnes per annum of MREC. In October 2022, Hastings had also entered into a non-binding Memorandum of Understanding with Solvay La Rochelle for the supply of 2,500 tonnes per annum ("tpa") of MREC for a period of 5 years. This is in addition to the offtake contracts signed with Thyssenkrupp Materials Trading GmbH in April 2021 (5,000-9,000tpa) and Schaeffler Technologies AG in June 2020 (5,000tpa).

Hastings continued to progress in securing funding for the Yangibana Project in 2022. As reported in last year's Annual Report, the company had in February 2022 announced the approval from Northern Australia Infrastructure Facility ("NAIF") of a AUD140 million loan facility with a 12.5 year tenor. Subsequently in January 2023, this facility has been increased to AUD220 million. On the equity side, Hastings had in March 2022 placed 160 million shares to L1 Capital Pty Ltd, raising a total of AUD40 million. The conversion of share options in April had also raised AUD29.5 million and in September, the company completed a two-tranche placement to institutional and sophisticated investors to raise AUD110 million. Hastings had also completed a strategic acquisition during the year. On 14 October 2022, Hastings announced that it has acquired a 19.9% equity stake in Neo Performance Materials, Inc. (TSX: NEO) ("Neo") for an aggregate purchase price of C$134.61 million. The acquisition was funded by a AUD150 million investment in Hastings by Wyloo Metals Pty Ltd through the issuance of secured, redeemable, exchangeable notes. Neo is a global rare earth processing and advanced permanent magnets producer listed on the Toronto Stock Exchange. Based on its filing, the acquisition will provide Hastings with a strategic stake in Neo and exposure to its magnetic materials business, as well as a platform to explore potential partnership arrangements utilising Hastings' Yangibana feedstock in Neo's downstream rare earth operations.

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. 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. The fair value of the Group's investment in Atomico IV at the end of 2022 amounted to RM4.13 million, down 29.5% yoy from RM5.87 million a year ago, in line with the challenges faced by the tech sector in 2022 which has been a year of reset for the sector. A series of compounding macroeconomic setbacks, soaring inflation rates and interest rate hikes, the energy crisis and the war in Ukraine, all of which had impacted the broader tech ecosystem. According to Atomico's report, the total value of the European ecosystem fell from peak of $3.1 trillion in 2021 to $2.7 trillion in 2022, led by steep falls in public markets. Capital invested declined 17% yoy to $86 billion. Despite these declines, it was still the second largest year ever for investment in the European tech ecosystem. European companies are now on par with the US in terms of early stage funding capturing 1/3 of global early stage capital invested. In addition to public market declines, 2022 also saw an impact on valuations, which are returning to more normalised historical levels. Across all stages, the average valuations for European companies are still priced at a discount relative to their US peers. The market volatility and uncertainty has also impacted exits, with the IPO window effectively closed. Europe only counted two $B IPOs in 2022 vs one in the US. M&A activity has continued, albeit significantly below 2021 levels. Even against this challenging market backdrop, Europe still saw $41 billion of total exit value generated in 2022.

The Group had in 2021 invested USD1 million into Platinum Analytics Cayman Limited ("Platinum Analytics") in a larger found of financing that had also included Mark and Mr Teo Koon Hong as co-investors. Platinum Analytics is a financial technology or Fintech startup based in Singapore focusing on the Singapore and China markets. The company presents itself as a 'One Stop Platform' providing a pricing engine, AI trading engine and an electronic communication network (ECN) for the foreign exchange market, focusing on offshore CNY. While the foreign exchange trading business might be highly competitive, we believe the sub-segment offshore RMB market that Platinum Analytics is aiming at appears to be less developed and there seems to be a window of opportunity for the company to establish itself in this area. We recognise that this is a highly risky investment but our portfolio strategy allows for a small portion of our assets to be invested in startups for the potential upside. Mr Teo sits on the board of Platinum Analytics subsequent to his investment into the company. Platinum Analytics continued to develop and execute its business plan in 2022 in a tough and challenging year.

During the year, the Group had invested an additional RM33.60 million (2021: 49.63 million) into its investment portfolio. For ease of reference, this portfolio will hereinafter be referred to as the Equity Portfolio and it excludes Lion Rock, Hastings, the associates and the unquoted investments. Most of the companies in the Equity Portfolio are listed in Malaysia and Hong Kong/ China with a small portion in Singapore, Australia and Europe. As at 31 December 2022, the top 5 holdings made up 39% of the Equity Portfolio while another 23 stocks made up the remaining 61%. 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 may increase our investments in these stocks further as well as to acquire other target stocks on our buy-list. The Equity Portfolio generated approximately RM7.16 million in dividends for the Group in 2022 (2021: RM1.21 million). As at 31 December 2022, the fair value of the Equity Portfolio amounted to RM128.59 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.

	Cost of Investment RM	**Carrying Value RM**	**Fair Value RM**
104 Corporation^	71,164,515	112,460,289	211,216,184
Innity^	8,487,984	13,245,277	12,138,767
Lion Rock	17,799,453	28,182,195	28,182,195
Hastings	16,558,807	15,210,193	15,210,193
Equity Portfolio	88,092,200	85,201,051	85,201,051
Unquoted investments	6,049,977	8,533,350	8,533,350
	208,152,936	262,832,355	360,481,740

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

Looking at the table above, the fair value of the Group's investments including its listed associates as at 31 December 2022 are significantly above total cost owing to the large unrealised gains on 104 Corporation, Lion Rock and unquoted investments. The fair value of the rest of the Equity Portfolio was below cost at the end of 2022 mainly due to some of the issues plaguing Chinese equities such as the regulatory storm on its technology industry, crackdown on the property market, overseas listings of Chinese firms, strict COVID-19 restrictions and so on, which had continued to negatively impact appetite for Chinese equities in 2022. Overall, 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.

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, SGD and HKD. While the holding of such currencies may result in foreign exchange gains or losses and thus volatility to our P&L, the Group does not intend to actively manage or trade currency positions nor engage in any speculative activities. The Group's MYR holdings are placed in interest bearing bank deposits and money market unit trust funds. Similar to what was happening around the world, Bank Negara had in 2022 increased the OPR by a total of 100 basis points to 2.75% to reduce inflationary pressures. 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

Prior to the recent financial sector crisis, the world economy had shown signs of stabilising in early 2023 after the adverse shocks of last year. Activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger than anticipated domestic conditions. Labour markets in advanced economies, most notably the US, have stayed very strong with unemployment rates historically low. Yet, the cumulative effects of the past three years of adverse shocks – most notably, the COVID-19 pandemic and Russia's invasion of Ukraine – continued to manifest in unforeseen ways. Post pandemic pent-up demand, lingering supply chain disruptions and commodity price spikes set the stage for inflation to rise, leading central banks to tighten monetary policy aggressively. The rapid rise in interest rates have caught many off-guard and contributed to stresses in the financial system and triggered sizable losses on long-term fixed-income assets. The stability of any financial system hinges on its ability to absorb losses without recourse to taxpayers' money. First sign of trouble appeared in March in what is now known as the Banking Crisis of 2023. Over the course of five days in March 2023, three small to mid-size US banks failed, triggering a sharp decline in global bank stock prices and swift response by regulators to prevent potential global contagion. Silvergate Bank and Signature Bank, both with significant exposure to cryptocurrency, failed in the midst of turbulence in that market. Silicon Valley Bank failed when a bank run was triggered after it sold its Treasury bond portfolio at a large loss, causing depositor concerns about the bank's liquidity. The bonds had lost significant value as market interest rates rose after the bank had shifted its portfolio to longer-maturity bonds. And in mid-March, Swiss bank UBS Group AG agreed to buy rival Credit Suisse Group AG ("Credit Suisse") for CHF3 billion and assume up to CHF5 billion in losses in a shotgun merger intended to shore up the global banking system and prevent the latter from collapsing. Prior to its collapse in March, Credit Suisse had announced plans to borrow up to $54 billion to shore up liquidity, but its largest shareholder, Saudi National Bank, said that it will not give any money, triggering a crisis of confidence and a precipitous fall in Credit Suisse's stock price. Other financial institutions with excess leverage, credit risk or interest rate exposure, too much dependence on short-term funding, or located in jurisdictions with limited fiscal space could become the next target.

The International Monetary Fund ("IMF") had stated in its *World Economic Outlook April 2023* that, after an estimated growth of 3.4% in 2022, global growth is projected to decrease to 2.8% in 2023. The slowdown is concentrated in advanced economies, especially the euro area and the UK, where growth is expected to fall to 0.8% and -0.3% respectively in 2023 from 3.5% and 4% in 2022. Aggressive rate hikes in the US in the past year continuing into 2023 should start to bear fruit in containing inflation while slowing down its economy slightly to 1.6% from 2.1% in 2022. China is rebounding strongly following the reopening of its economy and the IMF is forecasting its growth to increase to 5.2% in 2023 from 3.0% in 2022, contributing to the overall growth in emerging and developing Asia of 5.3% from 4.4% in 2022. Global inflation is expected to decrease, although more slowly than anticipated, from 8.7% in 2022 to 7.0% in 2023.

The IMF listed several risk factors for an uncertain 2023. There is a significant risk that the recent banking system turbulence will result in a sharper and more persistent tightening of global financial conditions which would further deteriorate business and consumer confidence. Additional downside risks include sharper contractionary effects than expected from the simultaneous central bank rate hikes amid historically high private and public debt levels. The combination of higher borrowing costs and lower growth could cause systemic debt distress in emerging market and developing economies. In additional, inflation may prove more stubborn than expected, prompting further monetary tightening than currently anticipated. Other adverse risks include a stuttering in China's post-COVID-19 recovery, escalation of the war in Ukraine and geoeconomic fragmentation. With debt levels, inflation and financial market volatility elevated, central banks especially in low-income countries could also have limited space to offset new negative shocks. Although the outlook is bleak, there is hope that the global economy could prove more resilient than expected, just as it did in 2022.

If the first three months of 2023 is anything to go by, this could be a rocky year for equity investments. In this environment of uncertainty, we will continue with our strategy, albeit cautiously, of developing a broad portfolio of long-term equity investments that would generate dividend income at targeted yields which in return can be paid onwards to our shareholders. We will also devote time to monitor our existing equity investments for any telltale signs of trouble. We had only begun building our Equity Portfolio in earnest in 2020. In that year, we had invested RM6.39 million which was followed by another RM49.63 million in 2021 and another RM33.60 million in 2022. During these turbulent times, while we can expect some paper losses on of our investments, we could also on the other hand be able to seize the opportunity to invest in quality businesses that are undervalued.

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 2022:

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.

This statement should also be read in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Reports on Board Committee and Sustainability Statement) and Corporate Governance Report 2022 which can be downloaded from the Company's website at www.jcbnext.com or from Bursa Malaysia's website at www.bursamalaysia.com, as the application of certain corporate governance practices may be more evidently manifested in the context of the respective statements.

The Corporate Governance Report 2022 sets out how the Group has applied each Principles and Step-Ups as set out in the MCCG during the financial year ended 31 December 2022. Where there is a departure, clear and meaningful disclosure on why the practice was not applied and how the alternative practice achieves the Intended Outcome. JcbNext will further enhance its MCCG adoption and put in effort to adhere to all recommended best practices from time to time.

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:

(i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;

(ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;

(iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the MMLR, the Capital Markets and Services Act 2007, the CA 2016, the MCCG and all applicable laws, regulations and guidelines;

(iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;

(v) Remuneration of Non-Executive Directors - determining the remuneration of non-executive Directors, with the individuals concerned abstaining from discussions of their own remuneration

(vi) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;

(vii) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;

(viii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;

(ix) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;

(x) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statements of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;

(xi) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;

(xii) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and terms of reference to such committees established by the Board;

(xiii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;

(xiv) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and

(xv) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders.

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

(i) Strategic issues and planning;

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

(iii) Treasury policies;

(iv) Risk management policies;

(v) Appointment of auditors and review of the financial statements encompassing annual audited financial statements and quarterly reports;

(vi) Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercises which requires the shareholders' approval;

(vii) Financing and borrowing activities;

(viii) Ensuring regulatory compliance;

(ix) Reviewing the adequacy and integrity of internal controls;

(x) Declaration of dividends;

(xi) Business plans and budget;

(xii) Appointment of Directors, CEO, Chief Financial Officer and other key responsible persons;

(xiii) Key human resource issues;

(xiv) Limits of Authority;

(xv) Conflict of interest issue relation to a substantial shareholder or a Director including approving related party transactions;

(xvi) Code of Business Conduct & Ethics, Code of Ethics of Directors, frameworks, policies and procedures; which was previously approved by the Board; and

(xvii) Sustainability risks and opportunities.

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 that has been revised on 26 April 2022 is available on the Company'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 47 to 49 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 Chairman is not a member of the Audit and Risk Committee, Nomination Committee or Remuneration Committee as prescribed in the MCCG. In addition, 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 Mr. Liong Wei Li 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.

Code of Ethics, Whistle-Blowing Policy and Anti-Bribery and Anti-Corruption ("ABAC") Policy

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.

The Company has adopted an ABAC Policy which sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. The Company will review the ABAC policy and programme periodically to assess the performance, efficiency and effectiveness of the Group's anti-bribery and anti-corruption processes and risk management system.

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 44 to 46 of the Annual Report.

Access to Information and Advice

Directors receive a set of Board papers within a reasonable period 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 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, competent and capable of carrying out the duties required and have attended training and seminars conducted by the Companies Commission of Malaysia, the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Bursa Malaysia to keep abreast with the relevant updates on statutory and regulatory requirements such as updates on statutory on the Bursa Malaysia Listing Requirements, compliance with the Capital Markets and Services Act 2007 and Companies Act 2016, and to ensure adherence to the MCCG. The Board has access to all information within the Company and to the advice and services of the Company Secretaries.

The Company Secretaries, who oversee adherence with board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries and/or the representatives of the Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the deliberations, proceedings and resolutions passed are taken and maintained accordingly in the statutory register at the registered office of the Company. In certain instances, the Board may clarify Bursa Malaysia Listing Requirements with the Company Secretaries and they are actively involved to advise the Board, when appropriate.

Board Composition

The Board consists of six (6) members, comprising one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors and one (1) Executive Director. Thus, the Board's composition complies with the Bursa Malaysia Listing Requirements that requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent. The MCCG now provides that at least half of the Board must comprise Independent Directors and for large company there must be a majority of Independent Directors. The Board takes cognizance of the recommendation of the MCCG and has adopted this corporate governance best practice. None of the Directors hold more than five (5) directorships in listed issuer in Malaysia.

A brief profile of each Director is presented on pages 5 to 7 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 the majority 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.

Following the amendments made to Bursa Malaysia Listing Requirements, the Board had on 30 June 2022 adopted a Directors' Fit and Proper Policy which set out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Company.

The Company's Constitution provides that at least one-third (1/3) of the Directors be subject to retirement by rotation at each Annual General Meeting ("AGM"), and that all Directors retire once every three (3) years and be eligible to offer themselves for re-election. The Constitution also provides that a Director who is appointed during the year be subject to re-election at the next AGM following his/her appointment.

The Nomination Committee is also responsible to conduct the fit and proper assessments on the Directors who are due for retirement at the AGM. Based on the assessment, the Nomination Committee and the Board are satisfied with the performance of the following Directors who are subject to retirement pursuant to the Company's Constitution at the forthcoming Nineteenth AGM ("19th AGM"):-

(a) Datuk Ali bin Abdul Kadir– Clause 96;
(b) Ms.Tan Beng Ling – Clause 103; and
(c) Dr. Wong Siew Hui – Clause 103

All the aforesaid Directors have expressed their intention to seek for re-election at the forthcoming 19th AGM.

Ms Cindy Eunbyol Ko who retires in accordance with Clause 96 of the Constitution of the Company, has expressed her intention not to seek for re-election at the 19th AGM and will retain office until the conclusion of the 19th AGM.

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, expertise, composition, size of the Board, 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 2021;
(ii) Reviewed, considered and assessed the performance, and made recommendations to the Board for its approval, regarding the Directors who are seeking for re-election at the forthcoming AGM pursuant to Company's Constitution;
(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) Reviewed the proposed appointment of Ms. Tan Beng Ling as an Independent Non-Executive Director and member of the Audit and Risk Committee; and
(vii) Reviewed the proposed appointment of Dr. Wong Siew Hui as an Executive Director.

The Nomination Committee, through the annual appraisal, was of the view that all the Directors and the Senior Management have the necessary character, experience, integrity, competence and sufficient time to discharge their respective roles effectively during year 2021.

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, fit and proper criteria, existing commitments and the ability to contribute and add diversity (including gender diversity) to the Board. A Board Diversity Policy has been adopted which sets out the approach to achieve diversity on 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 Practices 5.5 and 5.9 of the MCCG and has set a target of attaining 20% women directors. This target has been achieved with the appointments of Ms Cindy Eunbyol Ko and Ms Tan Beng Ling to the Board in 2019 and 2022 respectively.

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.

The assessment and comments by all Directors are summarised and discussed at the Nomination Committee Meeting and reported to the Board Meeting by the Nomination Committee Chairman. All assessments and evaluations carried out by the Nomination Committee in discharging of its functions are properly documented.

The annual assessment of the Board for the financial year ended 31 December 2022 was conducted on 23 February 2023. 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 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 2022 are set out below:

	Fees RM	Meeting allowances RM	Total RM
Non-Executive Directors			
Datuk Ali bin Abdul Kadir	75,000	2,500	77,500
Teo Koon Hong	74,000	9,000	83,000
Lim Chao Li	72,000	9,000	81,000
Cindy Eunbyol Ko	70,000	9,000	79,000
Tan Beng Ling (appointed on 9 September 2022)	21,238	2,000	23,238
Total	**312,238**	**31,500**	**343,738**

The details of the remuneration of Senior Management (comprising salary, bonus and other emoluments) for the financial year ended 31 December 2022 in bands of RM50,000 are set out below:

	Designation	RM
Liong Wei Li	Chief Executive Officer	350,001-400,000
Dr. Wong Siew Hui	Chief Technology Officer	500,001-550,000
Gregory Charles Poarch	Chief Financial Officer	300,001-350,000

Note:
The Group has only 12 employees as at 31 December 2022. Dr. Wong Siew Hui and Mr. Gregory Charles Poarch together with Mr. Liong Wei Li, form the senior management team.

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 5.3 of the MCCG which states that the tenure of an independent director should not exceed a cumulative term of nine (9) 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 5.3 of the MCCG further states that if the board intends to retain an independent director beyond nine years, it should justify and seek shareholders’ approval through a two-tier voting process.

Based on the assessment carried out on 23 February 2023 for the financial year ended 31 December 2022, 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 23 February 2023 for the financial year ended 31 December 2022, the Board is satisfied with the level of commitment demonstrated by individual Board members.

The Board plans at least four (4) scheduled meetings annually, with additional meetings to be held, as and when necessary. The Board met four (4) times for the financial year ended 31 December 2022 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)	4	4
Teo Koon Hong	4	4
Lim Chao Li	4	4
Cindy Eunbyol Ko	4	4
Tan Beng Ling (appointed on 9 September 2022)	1	1

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) pursuant to Bursa Malaysia Listing Requirements.

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

1. Malaysian Environment Education/ Education for Sustainable Development: Where Is The Nation Now and Where Is It Going? By Amanah Lestari Alam
2. Introduction to Sustainability & Environmental, Social and Governance by JcbNext Berhad
3. Directors' Sustainability Training by Glomac Berhad
4. The Art and Science of investing in Private Equities by ENRA Group
5. Sustainability, Governance, Management & Report by ENRA Group
6. Environmental, Social & Governance Talk by Amanah Lestari Alam
7. The Role of Development Financial Institutions in National Development & Community Empowerment by Amanah Lestari Alam
8. Outlook for 2022 by Citibank
9. Navigating Turbulent Markets by Julius Baer
10. A Conversation with Ben Peterson from KKR on Tech Growth by Citibank
11. DBS Wealth Planning Symposium
12. Dialogue with HASIL – Cooperative Tax Compliance: A Tax Audit Journey by KPMG Malaysia
13. Pan-Asia Regional Investors Conference 2022 by Citibank
14. The Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
15. 2022 MFRS Updates Seminar by KPMG Malaysia
16. The Cooler Earth Sustainability Summit by CIMB
17. AI for Business by Wharton Online
18. Talk on the Token Economy, Cryptocurrencies and CBDCs by Prof. Arturo Bris of International Institute for Management Development
19. Dialogue on Climate Risk Management and Scenario Analysis by FIDE Forum
20. Talk on No Rules Rules: Building a Corporate Culture that Breeds Innovation and Flexibility by Prof. Erin Meyer of INSEAD

21. Leadership Perspective Forum on Board Effectiveness in conjunction with Board Effectiveness Launch by FIDE Forum
22. JC3 Upskilling Sustainability Training Series: Implementation of Task Force on Climate Related Financial Disclosures by Joint Committee on Climate Change
23. Talk on Leading Through Banking Transformation by Prof. Misiek Piskorski of International Institute of Management Development
24. Board Effectiveness Evaluation – Post Launch Workshop by FIDE Forum and PwC
25. Talk on Sanctions and Financial Crime Prevention by Mr Ross Daniel Savage, Grata Opus Ltd, UK
26. Talk on ESG Frameworks: Understanding the Alphabet Soup by PwC
27. Talk on Understanding Task Force of Climate-Related Financial Disclosures by PwC

The Directors are mindful that they should receive appropriate continuous training. Continuous training is vital for the Board members to gain insight into the state of technology development, current economic outlook, and latest regulatory development and management strategies in relation to the Group's business.

The Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the financial year end.

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 three (3) 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 Audit and Risk Committee 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 123 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 53 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 2022 and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity. Please refer to page 52 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 2022.

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.

The Audit and Risk Committee carried out an annual assessment on the performance, suitability and independence of the External Auditors based on the following key areas and concluded that the External Auditors have discharged their duties effectively and independently:-

a) Calibre of external audit firm;
b) Quality processes/performance;
c) Sufficiency of resources;
d) Independence and objectivity;
e) Audit scope and planning;
f) Audit fees; and
g) Audit communications.

At the Audit and Risk Committee held on 27 April 2023, 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 19th 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 50 to 51 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.

The internal audit function has been outsourced to Resolve IR Sdn. Bhd., an external professional firm of consultants who is independent of management and reports directly to the Audit and Risk Committee. Based on the internal audit reviews conducted, the internal audit function provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively. Internal Audit activities is conducted in accordance to the approved internal audit plan which focuses on key risk areas of the Group 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 49 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 Malaysia Securities Berhad 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 COVID-19 pandemic in the last three (3) years. For the benefit of shareholders who are not able to attend the virtual AGM, the Minutes of the AGM will be published on the Group's website at www.jcbnext.com within thirty (30) business days after the conclusion of the AGM.

Encourage shareholder participation at general meetings

The Notice of the forthcoming 19th AGM together with the Annual Report will be sent to shareholders at least twenty eight (28) days prior to the AGM which will be held on 20 June 2023. 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 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 19th 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 Malaysia Securities Berhad 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 12 employees at the end of 2022, 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 the CEO, 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. During the year, we engaged employees to understand and identify material sustainability issues and concerns.

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. The Company had also 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. The Company is also continuously looking 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. In addition, as a landlord and owner of Wisma JcbNext, the Company had installed a chair lift to assist persons with disabilities access the building.

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 2020 and encouraged employees to do so at the beginning of March even before government imposed lockdowns commenced. When the Company was operating fully on WFH basis from March 2020 to August 2022, monthly staff zoom meetings were organised with the objective of keeping our staff engaged. During that phase, the Company encouraged and facilitated our employees to get their vaccinations including booster shots. In addition, employees were each given a care package containing items such as hand sanitiser, KN95 masks, face shield and Vitamin C to help employees protect themselves. Staff returned back to the office fully from September 2022 onwards. To facilitate the transition back to the office, the Company had installed several units of air purifiers around the office to create a safer working environment for our staff, upgraded hardware such as computer monitors and bought some standing desks for our staff to utilise. The Company also continued to adhere to good COVID-19 workplace practices such as requiring staff to wear face masks at common areas or when they are in meetings. Staff who are unwell or showing any symptoms of being unwell are requested to rest or work from home.

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. During the year, we formalised an Anti-Bribery and Corruption Compliance Programme based on the five principles of adequate procedures, TRUST, as prescribed in the Guidelines on Adequate Procedures issued by the Prime Minister's Department and also appointed a Compliance Officer to provide leadership on compliance matters.

C. ENVIRONMENT

Green and eco-friendly practices

We constantly remind our staff to reduce paper usage and print double-sided where possible. With only 12 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. With the growing trend of ordering take-aways, we have also educated employees of the proper way to dispose take-away containers that is recycling friendly. Even before the Company had embarked on its WFH phase in early 2020, Board meetings 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 starting in 2020, we have done away with the printing of our annual report and held virtual AGMs. During the year, the Company appointed a Sustainability Officer to oversee the development of a sustainability reporting framework.

AUDIT AND RISK COMMITTEE REPORT

MEMBERSHIP

Chairman : Teo Koon Hong *(Independent Non-Executive Director)*
Members : Lim Chao Li *(Non-Independent Non-Executive Director)*
Cindy Eunbyol Ko *(Independent Non-Executive Director)*
Tan Beng Ling *(Independent Non-Executive Director) (Appointed on 9 September 2022)*

MEETINGS

The Audit and Risk Committee ("ARC") held four (4) meetings during the financial year. The attendance of the Committee members was as follows: -

Committee Members	**Number of meetings attended during ARC Members' tenure in office**
Teo Koon Hong (Chairman)	4/4
Lim Chao Li	4/4
Cindy Eunbyol Ko	4/4
Tan Beng Ling (*Appointed on 9 September 2022*)	1/1

During the financial year, the ARC has met with the External Auditors twice without 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.

The ARC is in compliance with Paragraphs 15.09 and 15.10 of the Bursa Malaysia Listing Requirements.

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 management present twice, on 26 April 2022 and 23 November 2022 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 twice, on 25 May 2022 and 23 November 2022.

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, Statement to Shareholders in relation to the proposed share buy-back 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 pages 39 to 40 of this Annual Report.

INTERNAL AUDIT FUNCTION

The Internal Audit function has been outsourced to Resolve IR Sdn. Bhd., an external professional firm of consultants, led by the Chief Audit Executive who is the Chief Executive Officer of Resolve IR Sdn. Bhd.. The outsourced Internal Audit function is tasked to undertake independent review on the adequacy, efficiency and effectiveness of the Group's system of internal control. Internal control activities are conducted in accordance with the scope of work specified in the engagement letter that is approved by the ARC, which focuses on the key risk areas of the Group. In addition, internal audits are carried out in accordance with the International Professional Practices Framework of Internal Auditing.

The outsourced Internal Audit Function reports directly to the ARC to preserve its independence. 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.

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

a) Corporate Governance Compliance;

b) Risk Management Framework;

c) Treasury Management; and

d) Property Management, Leasing and Maintenance

The total costs incurred in supporting the Internal Audit Function for the financial year amounted to approximately RM77,000.00 (2021: RM60,000.00).

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, Resolve IR Sdn. Bhd., who is tasked to carry out internal audits on various areas of operations within the Group. These internal audit reviews focus on 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 the internal audit reviews conducted, the Internal Auditors provide the ARC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control. Follow-up reviews on the implementation of action plans are subsequently carried out to ensure that deficiency highlighted have been addressed.

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 2022, 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 27 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the financial year ended 31 December 2022.

Audit and Non-Audit Fees

During the financial year ended 31 December 2022, 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	205,000	195,000
Non-audit fees	48,660	48,660

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 2022.

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.

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DIRECTORS' REPORT
for the year ended 31 December 2022

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 2022.

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	23,572,972	19,205,199
Non-controlling interests	1,115	-
	23,574,087	19,205,199

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 3.5 sen per ordinary share amounting to RM4,621,214 in respect of the financial year ended 31 December 2021 on 27 July 2022.

The Directors recommend the payment of a final single tier dividend of 6.0 sen per ordinary share amounting to RM7,921,782 in respect of the financial year ended 31 December 2022. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2022, 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
Tan Beng Ling (Appointed on 9 September 2022)
Wong Siew Hui (Appointed on 24 February 2023)

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 1.1.2022	**Bought**	**Sold/ Transfer**	**At 31.12.2022**
Interest in the Company:				
Datuk Ali bin Abdul Kadir	740,000	-	-	740,000
Lim Chao Li	1,000,000	-	-	1,000,000

None of the other Directors holding office at 31 December 2022 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 those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2022 are as follows:

	From the Group and Company RM
Directors of the Company:	
Fees	312,238
Remuneration	31,500
	343,738

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.

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.

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 2022 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 of the Group and of the Company during the year are RM224,448 and RM195,000 respectively.

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: 27 April 2023

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Assets					
Property and equipment	3	57,010	72,522	53,968	64,593
Right-of-use assets	4	94,402	33,763	-	-
Investment properties	5	18,388,000	18,388,000	18,388,000	18,388,000
Investments in subsidiaries	6	-	-	103,311,035	67,051,912
Investments in associates	7	125,705,566	133,928,495	79,652,499	82,685,068
Other investments	8	137,126,789	105,450,305	52,287,901	49,071,014
Total non-current assets		281,371,767	257,873,085	253,693,403	217,260,587
Other investments	8	22,384,799	-	22,384,799	-
Current tax assets		87,119	38,879	87,119	38,879
Trade and other receivables	9	212,484	183,683	191,120	160,265
Prepayments and other assets		126,107	141,732	100,296	106,149
Deposits with licensed banks with original maturities more than three months		20,621,074	20,188,216	20,621,074	20,188,216
Cash and cash equivalents	10	25,989,951	68,357,578	18,025,198	61,566,223
Total current assets		69,421,534	88,910,088	61,409,606	82,059,732
Total assets		350,793,301	346,783,173	315,103,009	299,320,319
Equity					
Share capital		196,619,727	196,619,727	196,619,727	196,619,727
Reserves		152,176,828	148,259,429	116,916,128	101,173,607
Total equity attributable to owners of the Company	11	348,796,555	344,879,156	313,535,855	297,793,334
Non-controlling interests		22,837	23,069	-	-
Total equity		348,819,392	344,902,225	313,535,855	297,793,334
Liabilities					
Borrowings	12	158,774	181,500	-	-
Lease liabilities		36,593	-	-	-
Deferred tax liabilities	13	99,224	116,446	99,224	116,446
Total non-current liabilities		294,591	297,946	99,224	116,446
Borrowings	12	7,726	-	-	-
Lease liabilities		59,104	33,956	-	-
Other payables	14	1,602,011	1,537,794	1,467,930	1,410,539
Current tax payables		10,477	11,252	-	-
Total current liabilities		1,679,318	1,583,002	1,467,930	1,410,539
Total liabilities		1,973,909	1,880,948	1,567,154	1,526,985
Total equity and liabilities		350,793,301	346,783,173	315,103,009	299,320,319

The notes on pages 68 to 122 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2022

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	15	9,531,376	6,353,995	18,238,575	13,983,956
Other operating income		1,160,463	1,864,455	1,251,912	2,045,846
Contract and outsourcing cost		(348,639)	(289,293)	-	-
Depreciation of property and equipment	3	(41,924)	(45,557)	(36,683)	(40,315)
Depreciation of right-of-use assets	4	(59,109)	(118,167)	-	-
Staff costs	17	(2,486,874)	(2,402,849)	(2,304,434)	(2,240,688)
Other operating expenses		(2,293,290)	(1,982,538)	(1,961,526)	(1,761,593)
Results from operating activities		5,462,003	3,380,046	15,187,844	11,987,206
Interest income		-	7	-	-
Interest expense		(10,466)	(8,761)	-	-
Net interest expense		(10,466)	(8,754)	-	-
Gain/(Loss) on financial assets classified as fair value through profit or loss		464,229	(2,147)	464,229	1,975
Gain on changes of interest in an associate		-	12,608	-	-
Gain on disposal of investment in an associate		5,032,597	1,588,988	5,636,968	1,777,656
Impairment loss on amounts due from subsidiaries		-	-	(311,737)	(256,872)
Share of profit of equity accounted associates, net of tax		14,651,077	13,309,900	-	-
Profit before tax		25,599,440	18,280,641	20,977,304	13,509,965
Tax expense	18	(2,025,353)	(1,541,148)	(1,772,105)	(1,461,430)
Profit for the year	19	23,574,087	16,739,493	19,205,199	12,048,535

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Profit for the year	19	23,574,087	16,739,493	19,205,199	12,048,535
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)/Gain on price change		(11,775,168)	5,607,082	(639,022)	2,053,762
- Gain/(Loss) on exchange differences		3,642,996	(136,696)	1,797,558	862,803
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(7,292,612)	5,648,430	-	-
Share of gain of equity-accounted associates		389,078	55,991	-	-
Total other comprehensive (expense)/income for the year, net of tax		(15,035,706)	11,174,807	1,158,536	2,916,565
Total comprehensive income for the year		8,538,381	27,914,300	20,363,735	14,965,100
Profit attributable to:					
Owners of the Company		23,572,972	16,797,106	19,205,199	12,048,535
Non-controlling interests		1,115	(57,613)	-	-
Profit for the year		23,574,087	16,739,493	19,205,199	12,048,535
Total comprehensive income attributable to:					
Owners of the Company		8,538,613	27,975,463	20,363,735	14,965,100
Non-controlling interests		(232)	(61,163)	-	-
Total comprehensive income for the year		8,538,381	27,914,300	20,363,735	14,965,100
Basic earnings per ordinary share based on profit attributable to owners of the Company (sen):	20	17.85	12.68		

The notes on pages 68 to 122 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2022

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 2021		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
Foreign currency translation differences for foreign operations		-	-	5,651,980	-	-	-	-	5,651,980	(3,550)	5,648,430
Equity instruments designated at fair value through other comprehensive income											
- Gain on price changes		-	-	-	5,607,082	-	-	-	5,607,082	-	5,607,082
- Loss on exchange differences		-	-	-	(136,696)	-	-	-	(136,696)	-	(136,696)
Share of other comprehensive income of equity-accounted associates		-	82,916	(26,925)	-	-	-	-	55,991	-	55,991
Total other comprehensive income for the year		-	82,916	5,625,055	5,470,386	-	-	-	11,178,357	(3,550)	11,174,807
Profit for the year		-	-	-	-	-	-	16,797,106	16,797,106	(57,613)	16,739,493
Total comprehensive income of the year		-	82,916	5,625,055	5,470,386	-	-	16,797,106	27,975,463	(61,163)	27,914,300
Contributions by and distributions to owners of the Company											
- Treasury shares acquired	11	-	-	-	-	-	(2,729,988)	-	(2,729,988)	-	(2,729,988)
- Cancellation of treasury shares		-	-	-	-	-	2,729,988	(2,729,988)	-	-	
- Dividends	21	-	-	-	-	-	-	(3,965,140)	(3,965,140)	-	(3,965,140)
Total transactions with owners of the Company		-	-	-	-	-	-	(6,695,128)	(6,695,128)	-	(6,695,128)
Transfer upon the disposal of investment in an associate		-	(25,503)	-	-	-	-	25,503	-	-	-
At 31 December 2021		196,619,727	1,849,055	32,008,478	13,430,410	5,742,256	-	95,229,230	344,879,156	23,069	344,902,225
		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	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		<---Attributable to owners of the Company--->								
		<---Non-distributable--->					Distributable			
At 1 January 2022		196,619,727	1,849,055	32,008,478	13,430,410	5,742,256	95,229,230	344,879,156	23,069	344,902,225
Foreign currency translation differences for foreign operations		-	-	(7,291,265)	-	-	-	(7,291,265)	(1,347)	(7,292,612)
Equity instruments designated at fair value through other comprehensive income										
- Loss on price changes		-	-	-	(11,775,168)	-	-	(11,775,168)	-	(11,775,168)
- Gain on exchange differences		-	-	-	3,642,996	-	-	3,642,996	-	3,642,996
Share of other comprehensive income of equity-accounted associates		-	128,648	260,430	-	-	-	389,078	-	389,078
Total other comprehensive expense for the year		-	128,648	(7,030,835)	(8,132,172)	-	-	(15,034,359)	(1,347)	(15,035,706)
Profit for the year		-	-	-	-	-	23,572,972	23,572,972	1,115	23,574,087
Total comprehensive income of the year		-	128,648	(7,030,835)	(8,132,172)	-	23,572,972	8,538,613	(232)	8,538,381
Contributions by and distributions to owners of the Company										
- Dividends	21	-	-	-	-	-	(4,621,214)	(4,621,214)	-	(4,621,214)
Total transactions with owners of the Company		-	-	-	-	-	(4,621,214)	(4,621,214)	-	(4,621,214)
Transfer upon the disposal of investment in an associate		-	(73,738)	-	-	-	73,738	-	-	-
Transfer upon the disposal of investment designated at FVOCI		-	-	-	(265,880)	-	265,880	-	-	-
At 31 December 2022		196,619,727	1,903,965	24,977,643	5,032,358	5,742,256	114,520,606	348,796,555	22,837	348,819,392
		Note 11	Note 11	Note 11	Note 11	Note 11				

The notes on pages 68 to 122 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 2021		196,619,727	6,121,673	5,443,353	-	81,338,609	289,523,362
Equity instruments designated at fair value through other comprehensive income							
- Gain on price changes		-	2,053,762	-	-	-	2,053,762
- Gain on exchange differences		-	862,803	-	-	-	862,803
Total other comprehensive income for the year		-	2,916,565	-	-	-	2,916,565
Profit for the year		-	-	-	-	12,048,535	12,048,535
Total comprehensive income for the year		-	2,916,565	-	-	12,048,535	14,965,100
Contributions by and distributions to owners of the Company							
- Treasury shares acquired	11	-	-	-	(2,729,988)	-	(2,729,988)
- Cancellation of treasury shares		-	-	-	2,729,988	(2,729,988)	-
- Dividends	21	-	-	-	-	(3,965,140)	(3,965,140)
Total transactions with owners of the Company		-	-	-	-	(6,695,128)	(6,695,128)
At 31 December 2021		196,619,727	9,038,238	5,443,353	-	86,692,016	297,793,334
		Note 11	Note 11	Note 11	Note 11		

		<------Attributable to owners of the Company------>				
		<------Non distributable------>			Distributable	
Company	**Note**	**Share capital RM**	**Fair value reserve RM**	**Revaluation reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 January 2022		196,619,727	9,038,238	5,443,353	86,692,016	297,793,334
Equity instruments designated at fair value through other comprehensive income						
- Loss on price changes		-	(639,022)	-	-	(639,022)
- Gain on exchange differences		-	1,797,558	-	-	1,797,558
Total other comprehensive income for the year		-	1,158,536	-	-	1,158,536
Profit for the year		-	-	-	19,205,199	19,205,199
Total comprehensive income for the year		-	1,158,536	-	19,205,199	20,363,735
Contributions by and distributions to owners of the Company						
- Dividends	21	-	-	-	(4,621,214)	(4,621,214)
Total transactions with owners of the Company		-	-	-	(4,621,214)	(4,621,214)
At 31 December 2022		196,619,727	10,196,774	5,443,353	101,276,001	313,535,855
		Note 11	Note 11	Note 11		

The notes on pages 68 to 122 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities					
Profit before tax		25,599,440	18,280,641	20,977,304	13,509,965
Adjustments for:					
Depreciation of property and equipment	3	41,924	45,557	36,683	40,315
Depreciation of right-of-use assets	4	59,109	118,167	-	-
Property and equipment written off	3	-	2	-	2
Share of profit after tax of equity-accounted associates		(14,651,077)	(13,309,900)	-	-
Dividend income		(7,161,770)	(3,461,162)	(16,255,877)	(11,402,945)
Interest income		(669,969)	(751,130)	(669,676)	(750,725)
Finance costs		10,466	8,761	-	-
Investment distribution income	15	(54,423)	(603,442)	(54,423)	(603,442)
Impairment loss on amounts due from subsidiaries		-	-	311,737	256,872
(Gain)/Loss on financial assets classified as fair value through profit or loss		(464,229)	2,147	(464,229)	(1,975)
Gain on changes of interest in an associate		-	(12,608)	-	-
Gain on disposal of investment in an associate		(5,032,597)	(1,588,988)	(5,636,968)	(1,777,656)
Unrealised foreign exchange loss/(gain)		81,402	(775,516)	(124,640)	(973,321)
Operating loss before working capital changes		(2,241,724)	(2,047,471)	(1,880,089)	(1,702,910)
Changes in trade and other receivables		15,811	356,464	(122,188)	197,107
Changes in prepayments and other assets		15,052	(15,255)	5,853	(14,484)
Changes in other payables		(160,288)	(72,953)	57,391	30,392
Cash used in operations		(2,371,149)	(1,779,215)	(1,939,033)	(1,489,895)
Income tax paid		(2,102,499)	(1,609,075)	(1,837,567)	(1,534,728)
Interest received		621,301	820,860	621,009	820,122
Interest paid		(10,418)	(8,772)	-	-
Net cash used in operating activities		(3,862,765)	(2,576,202)	(3,155,591)	(2,204,501)
Cash flows from investing activities					
Acquisition of other investments		(83,114,590)	(99,371,691)	(45,098,406)	(62,046,250)
Acquisition of property and equipment	3	(26,058)	-	(26,058)	-
Acquisition of treasury shares		-	(2,729,988)	-	(2,729,988)
Dividends received from an associate	15	12,146,281	8,909,246	12,146,281	8,909,246
Dividends received from other investments	15	7,161,770	3,461,162	4,109,596	2,493,699
Increase in investment in a subsidiary	6	-	-	(36,259,123)	(38,719,648)
Investment distribution income received	15	54,423	603,442	54,423	603,442
Net change in deposits with licensed banks with original maturities more than 3 months		(432,858)	11,019,339	(432,858)	11,019,339
Proceeds from disposal of investment in an associate		8,669,537	2,836,875	8,669,537	2,836,875
Proceeds from disposal of other investments		21,385,364	93,847,807	21,119,484	93,847,807
Net cash (used in)/generated from investing activities		(34,156,131)	18,576,192	(35,717,124)	16,214,522

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from financing activities					
Dividends paid to shareholders of the Company	21	(4,621,214)	(3,965,140)	(4,621,214)	(3,965,140)
Payment of lease liabilities		(58,445)	(119,397)	-	-
Proceeds from borrowings		-	181,500	-	-
Net cash used in financing activities		(4,679,659)	(3,903,037)	(4,621,214)	(3,965,140)
Net (decrease)/increase in cash and cash equivalents		(42,698,555)	12,096,953	(43,493,929)	10,044,881
Cash and cash equivalents at beginning of the year		68,357,578	55,431,594	61,566,223	50,681,502
Effects of exchange rate fluctuations on cash held		330,928	829,031	(47,096)	839,840
Cash and cash equivalents at end of year	10	25,989,951	68,357,578	18,025,198	61,566,223

Cash outflows for leases as a lessee

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Included in net cash from operating activities				
Payment relating to leases of low value assets	2,160	2,160	2,160	2,160
Interest paid in relation to lease liabilities	9,697	8,445	-	-
Included in net cash from financing activities				
Payment of lease liabilities	58,445	119,397	-	-
Total cash outflows for leases	70,302	130,002	2,160	2,160

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

	At 1 January 2021 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 31 December 2021/At 1 January 2022 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 31 December 2022 RM
Lease liabilities	82,802	72,500	(119,397)	(1,949)	33,956	116,046	(58,445)	4,140	95,697
Borrowings	-	-	181,500	-	181,500	-	-	(15,000)	166,500
Total liabilities from financing activities	82,802	72,500	62,103	(1,949)	215,456	116,046	(58,445)	(10,860)	262,197

The notes on pages 68 to 122 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
(Off Jalan Sultan Ismail)	Seksyen 13
50300 Kuala Lumpur	46200 Petaling Jaya
	Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 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 2022 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 27 April 2023.

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:

MFRS and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

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

Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned accounting standards and amendments:

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

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024

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.

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 – valuation of investment in associates
- Note 23 - 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

When the Group's interest in an associate decrease 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial assets (continued)

(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.

(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)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(v) Derecognition (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property and equipment (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(b) As a lessor (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties (continued)

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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(i) Financial assets (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(ii) Other assets (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits (continued)

(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.

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Fair value measurement (continued)

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 2021	149,021	33,958	1,614,137	24,519	1,821,635
Write off	(3,860)	(280)	-	-	(4,140)
Exchange difference	399	204	-	41	644
At 31 December 2021/ 1 January 2022	145,560	33,882	1,614,137	24,560	1,818,139
Additions	11,315	-	11,700	3,043	26,058
Exchange difference	1,649	841	-	172	2,662
At 31 December 2022	158,524	34,723	1,625,837	27,775	1,846,859
Depreciation					
At 1 January 2021	135,986	14,736	1,541,919	11,118	1,703,759
Depreciation for the year	8,030	6,777	25,839	4,911	45,557
Write off	(3,859)	(279)	-	-	(4,138)
Exchange difference	337	81	-	21	439
At 31 December 2021/ 1 January 2022	140,494	21,315	1,567,758	16,050	1,745,617
Depreciation for the year	6,254	6,842	23,731	5,097	41,924
Exchange difference	1,585	586	-	137	2,308
At 31 December 2022	148,333	28,743	1,591,489	21,284	1,789,849
Carrying amounts					
At 1 January 2021	13,035	19,222	72,218	13,401	117,876
At 31 December 2021/ 1 January 2022	5,066	12,567	46,379	8,510	72,522
At 31 December 2022	10,191	5,980	34,348	6,491	57,010

3. PROPERTY AND EQUIPMENT (CONTINUED)

Company

	Computers RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Total RM
Cost					
At 1 January 2021	118,815	20,950	831,204	21,855	992,824
Write off	(3,860)	(280)	-	-	(4,140)
At 31 December 2021/ 1 January 2022	114,955	20,670	831,204	21,855	988,684
Additions	11,315	-	11,700	3,043	26,058
At 31 December 2022	126,270	20,670	842,904	24,898	1,014,742
Depreciation					
At 1 January 2021	109,662	9,481	758,986	9,785	887,914
Depreciation for the year	5,973	4,133	25,839	4,370	40,315
Write off	(3,859)	(279)	-	-	(4,138)
At 31 December 2021/ 1 January 2022	111,776	13,335	784,825	14,155	924,091
Depreciation for the year	4,305	4,109	23,730	4,539	36,683
At 31 December 2022	116,081	17,444	808,555	18,694	960,774
Carrying amounts					
At 1 January 2021	9,153	11,469	72,218	12,070	104,910
At 31 December 2021/ 1 January 2022	3,179	7,335	46,379	7,700	64,593
At 31 December 2022	10,189	3,226	34,349	6,204	53,968

4. RIGHT-OF-USE ASSETS

	Group Buildings RM
At 1 January 2021	81,321
Addition	72,500
Depreciation	(118,167)
Exchange difference	(1,891)
At 31 December 2021/1 January 2022	33,763
Addition	116,046
Depreciation	(59,109)
Exchange difference	3,702
At 31 December 2022	94,402

The Group leases an office with contract terms of 24 months (2021: 15 months). There is no option to renew the lease after that date.

5. INVESTMENT PROPERTIES

	Group and Company 2022 RM	Group and Company 2021 RM
At 1 January/31 December	18,388,000	18,388,000

Included in the above are:

	Group and Company 2022 RM	Group and Company 2021 RM
At fair value		
Freehold land	14,000,000	14,000,000
Buildings	4,388,000	4,388,000
	18,388,000	18,388,000

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:

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Rental income	15	1,254,399	1,222,644	1,258,599	1,226,844
Direct operating expenses:					
- income generating investment properties		(931,685)	(775,177)	(931,685)	(775,177)

5.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group RM	Company RM
2022		
Less than one year	873,406	873,756
2021		
Less than one year	807,096	807,446

5. INVESTMENT PROPERTIES (CONTINUED)

5.2 Fair value information

Fair value of investment properties are categorised as follows:

	Group and Company Level 3 2022 RM	2021 RM
Freehold land	14,000,000	14,000,000
Buildings	4,388,000	4,388,000
	18,388,000*	18,388,000*

* RM18,000,000 (2021: RM18,000,000) is determined by an external and independent property valuer.

Level 3 fair value

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 and location.	Premium made for differences in: 1) Location = -10% to 0% (2021: -10% to 0%)	The estimated fair value would increase/(decrease) if premium made for differences in 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.	2) Void periods = 0 to 1 month per year (2021: 0 to 1 month per year) 3) Risk-adjusted discount rate = 4.00% to 4.30% (2021: 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 2022 RM	Company 2021 RM
Cost of investment	105,455,486	69,196,363
Less: Accumulated impairment losses	(2,144,451)	(2,144,451)
	103,311,035	67,051,912

During the financial year, the Company subscribed 11,261,271 fully paid-up ordinary shares in its investment in JcbNext Pte. Ltd. at RM3.22 each via cash injection of RM36,259,123.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2022 %	Effective ownership interest and voting interest 2021 %
Autoworld.com.my Sdn. Bhd.	Malaysia	Providing internet related services	100	100
JcbNext Pte. Ltd. *	Singapore	Investment Holding	100	100
JobStreet.com India Pvt. Ltd. **	India	Ceased operations and in the progress to be striked off	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 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Investments in associate:				
Investment in shares	79,652,499	82,685,068	79,652,499	82,685,068
Share of post-acquisition profits	17,935,766	16,076,477	-	-
Post-acquisition foreign exchange translation reserve	26,213,336	33,432,770	-	-
Post-acquisition capital reserve	1,903,965	1,734,180	-	-
	125,705,566	133,928,495	79,652,499	82,685,068
Fair value of quoted shares				
Level 1	223,354,951	214,545,641	223,354,951	214,545,641

During the financial year, the Company has disposed ordinary shares in 104 Corporation, representing 0.92% of 104 Corporation's issued and paid-up share capital. The gain on disposal to the Group and the Company amounting to RM5,032,597 and RM5,636,968 respectively.

Details of material associates are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2022 %	Effective ownership interest and voting interest 2021 %
Innity Corporation Berhad*	Malaysia	Provider of interactive online marketing platforms and technologies for advertisers and publishers	20.98	20.98
104 Corporation#	Taiwan	Provider of advertising and consultancy services	21.74	22.66

* 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

2022	**Innity Corporation Berhad RM**	**104 Corporation RM**
As at 31 December		
Non-current assets	10,550,071	49,042,804
Current assets	68,628,653	424,367,614
Non-current liabilities	(3,183,151)	(10,170,787)
Current liabilities	(35,102,406)	(227,200,512)
Non-controlling interest	(1,342,322)	-
Net assets	39,550,845	236,039,119
Year ended 31 December		
(Loss)/Profit for the year	(78,804)	63,583,128
Other comprehensive income	1,090,337	725,281
Total comprehensive income	1,011,533	64,308,409
Included in comprehensive income is		
Revenue	119,216,452	311,196,614

	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	8,298,559	51,311,364	59,609,923
Goodwill	4,946,718	45,266,272	50,212,990
Effects of exchange rate fluctuations	-	15,882,653	15,882,653
Carrying amount in the statement of financial position	13,245,277	112,460,289	125,705,566
Group's share of results for the year ended 31 December			
Group's share of (loss)/profit	(16,535)	14,667,612	14,651,077
Group's share of comprehensive income	228,774	160,304	389,078
	212,239	14,827,916	15,040,155
Other information			
Dividend received by the Group	-	12,146,281	

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information (continued)

2021	**Innity Corporation Berhad RM**	**104 Corporation RM**
As at 31 December		
Non-current assets	9,261,062	47,233,883
Current assets	73,979,871	396,378,296
Non-current liabilities	(1,926,856)	(6,813,295)
Current liabilities	(41,074,820)	(199,536,115)
Non-controlling interest	(1,699,944)	(364,151)
Net assets	38,539,313	236,898,618
Year ended 31 December		
Profit for the year	3,121,865	55,051,108
Other comprehensive income	36,986	209,786
Total comprehensive income	3,158,851	55,260,894
Included in comprehensive income is		
Revenue	119,970,871	278,757,437

	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	8,086,319	54,459,202	62,545,521
Goodwill	4,946,718	47,195,115	52,141,833
Effects of exchange rate fluctuations	-	19,241,141	19,241,141
Carrying amount in the statement of financial position	13,033,037	120,895,458	133,928,495
Group's share of results for the year ended 31 December			
Group's share of profit	654,531	12,655,369	13,309,900
Group's share of comprehensive income	7,765	48,226	55,991
	662,296	12,703,595	13,365,891
Other information			
Dividend received by the Group	-	8,909,246	

8. OTHER INVESTMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Fair value through other comprehensive income	137,126,789	105,450,305	52,287,901	49,071,014
Current				
Fair value through profit or loss	22,384,799	-	22,384,799	-
	159,511,588	105,450,305	74,672,700	49,071,014

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
2022				
Quoted investments	128,593,438	7,161,770	48,155,057	4,109,596
Unquoted investments	8,533,351	-	4,132,844	-
	137,126,789	7,161,770	52,287,901	4,109,596
2021				
Quoted investments	95,439,296	3,461,162	43,204,699	2,493,699
Unquoted investments	10,011,009	-	5,866,315	-
	105,450,305	3,461,162	49,071,014	2,493,699

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

Group

	Fair value at derecognition RM	Cumulative gain on disposal (net of tax) RM	Dividend income recognised during the year RM
2022			
Quoted investment	265,880	265,880	-

9. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Trade					
Trade receivables		49,929	26,316	-	-
Non-trade					
Amount due from subsidiaries	9.1	-	-	6,709,243	6,397,506
Less: Impairment losses		-	-	(6,709,243)	(6,397,506)
		-	-	-	-
Other receivables		162,555	157,367	191,120	160,265
		162,555	157,367	191,120	160,265
		212,484	183,683	191,120	160,265

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

10. CASH AND CASH EQUIVALENTS

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Deposits with licensed banks	7,023,600	-	7,023,600	-
Cash and bank balances	18,966,351	68,357,578	11,001,598	61,566,223
	25,989,951	68,357,578	18,025,198	61,566,223

11. CAPITAL AND RESERVES

Share capital	Group and Company Number of shares 2022	Amount 2022 RM	Number of shares 2021	Amount 2021 RM
Ordinary shares, issued and fully paid:				
At 1 January	132,029,700	196,619,727	134,119,900	196,619,727
- Cancellation of treasury shares	-	-	(2,090,200)	-
At 31 December	132,029,700	196,619,727	132,029,700	196,619,727

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.

11. CAPITAL AND RESERVES (CONTINUED)

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, NIL (2021: 2,090,200) 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 RM NIL (2021: RM1.31) per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM NIL (2021: RM2,729,988) and was financed by internally generated funds. On 28 December 2021, the Company cancelled 2,090,200 treasury shares being JcbNext Shares bought back during the preceding financial years in accordance with Section 127 Subsection 4(a) of the Companies Act 2016. At 31 December 2022, the Group held NIL (2021: NIL) of the Company’s own shares.

12. BORROWINGS

	Group	
	2022	**2021**
	RM	**RM**
Non-current		
Unsecured term loan	158,774	181,500
Current		
Unsecured term loan	7,726	-
	166,500	181,500

The unsecured term loan is subject to fixed interest at 0.43% per annum for the first 3 years and 1.33% per annum for the subsequent years. The term loan is repayable over 15 years and is denominated in Japanese Yen.

13. DEFERRED TAX LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Assets 2022 RM	Assets 2021 RM	Liabilities 2022 RM	Liabilities 2021 RM	Net 2022 RM	Net 2021 RM
Property and equipment	460	-	-	(2,490)	460	(2,490)
Investment properties	-	-	(369,000)	(369,000)	(369,000)	(369,000)
Provisions	269,316	255,044	-	-	269,316	255,044
Tax assets/(liabilities)	269,776	255,044	(369,000)	(371,490)	(99,224)	(116,446)
Set off of tax	(269,776)	(255,044)	269,776	255,044	-	-
Net tax liabilities	-	-	(99,224)	(116,446)	(99,224)	(116,446)

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 2022 RM	Group 2021 RM
Deductible temporary difference	18,000	17,000
Unutilised tax losses	9,935,000	8,502,000
Unabsorbed capital allowances	22,000	22,000
	9,975,000	8,541,000

The abovementioned deferred tax assets do not expire under the current tax legislation except for the unutilised tax losses of RM2,476,000 (2021: RM2,336,000) can only be carried forward up to 10 consecutive Years of Assessment.

14. OTHER PAYABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-trade					
Deferred income	14.1	109,176	100,887	109,526	101,237
Other payables and accrued expenses		1,492,835	1,436,907	1,358,404	1,309,302
		1,602,011	1,537,794	1,467,930	1,410,539

14.1 Deferred income comprises rental income received in advance.

15. REVENUE

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contracts with customer				
- Contract staffing	390,815	315,624	-	-
Other revenue				
- Rental income from investment properties	1,254,399	1,222,644	1,258,599	1,226,844
- Dividends from other investments - quoted	7,161,770	3,461,162	4,109,596	2,493,699
- Dividends from an associate - quoted	-	-	12,146,281	8,909,246
- Investment distribution income	54,423	603,442	54,423	603,442
- Interest income	669,969	751,123	669,676	750,725
	9,531,376	6,353,995	18,238,575	13,983,956

15.1 Disaggregation of revenue

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Services				
- Japan	390,815	315,624	-	-

15.2 Nature of services

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.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group and Company	
	2022	**2021**
	RM	**RM**
Directors		
- Fees	312,238	251,000
- Remuneration	31,500	34,000
	343,738	285,000
Other key management personnel:		
- Remuneration	1,244,441	1,292,326
	1,588,179	1,577,326

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.

17. STAFF COSTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Staff costs (including key management personnel compensation):				
Salaries and other employee benefits	2,223,300	2,150,366	2,057,413	2,002,756
Contributions to state plans	263,574	252,483	247,021	237,932
	2,486,874	2,402,849	2,304,434	2,240,688

18. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Income tax expense on continuing operations	2,025,353	1,541,148	1,772,105	1,461,430
Current tax expense				
Malaysia - current year	321,220	361,542	321,220	361,542
- prior year	(51,002)	(6,002)	(51,002)	(6,002)
Overseas - current year	1,772,357	1,194,113	1,519,109	1,114,395
Total current tax recognised in profit or loss	2,042,575	1,549,653	1,789,327	1,469,935
Deferred tax expense				
Reversal of temporary difference	(17,035)	(13,190)	(17,035)	(13,190)
(Over)/Under provision in prior year	(187)	4,685	(187)	4,685
Total tax expense	2,025,353	1,541,148	1,772,105	1,461,430
Reconciliation of tax expense				
Profit for the year	23,574,087	16,739,493	19,205,199	12,048,535
Total tax expense	2,025,353	1,541,148	1,772,105	1,461,430
Share of profit of equity-accounted associates, and net of tax	(14,651,077)	(13,309,900)	-	-
Adjusted profit before tax	10,948,363	4,970,741	20,977,304	13,509,965
Tax calculated using Malaysian tax rate of 24% (2021: 24%)	2,627,607	1,192,978	5,034,553	3,242,392
Effect of tax rates in foreign jurisdictions*	(209,086)	(35,353)	-	-
Effect of deferred tax assets not recognised/(recognised)	33,679	(116,574)	-	-
Non-taxable income	(3,064,363)	(1,589,850)	(5,668,495)	(3,791,243)
Non-deductible expenses	922,380	908,693	938,127	897,203
Taxes arising from foreign jurisdictions	1,766,325	1,182,571	1,519,109	1,114,395
	2,076,542	1,542,465	1,823,294	1,462,747
Over provided in prior year	(51,189)	(1,317)	(51,189)	(1,317)
Tax expense	2,025,353	1,541,148	1,722,105	1,461,430

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

19. PROFIT FOR THE YEAR

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit for the year is arrived at after charging/ (crediting):					
Auditors' remuneration					
- Audit fees					
KPMG PLT		205,000	190,000	195,000	180,000
Other auditors		19,448	15,464	-	-
- Non-audit fees					
KPMG PLT		8,000	8,000	8,000	8,000
Overseas affiliates of KPMG PLT		40,660	38,794	40,660	38,794
Material expenses/ (income)					
Depreciation of property and equipment	3	41,924	45,557	36,683	40,315
Depreciation of right-of-use assets	4	59,109	118,167	-	-
Gain on disposal of investment in an associate		(5,032,597)	(1,588,988)	(5,636,968)	(1,777,656)
Impairment loss on amounts due from subsidiaries		-	-	311,737	256,872
Property and equipment written off	3	-	2	-	2
Net realised foreign exchange gain		(1,112,329)	(1,075,752)	(868,148)	(1,039,481)
Net unrealised foreign exchange loss/(gain)		81,402	(775,516)	(124,640)	(973,321)
Gain on changes of interest in an associate		-	12,608	-	-
Expenses arising from leases					
Expenses relating to leases of low value assets	a	2,160	2,160	2,160	2,160

Note a

These leases are leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

20. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 31 December 2022 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2022 **RM**	**2021** **RM**
Profit for the year attributable to owners of the Company	23,572,972	16,797,106
Issued ordinary shares at 1 January	132,029,700	134,119,900
Effect of treasury shares held	-	(1,636,347)
Weighted average number of ordinary shares at 31 December	132,029,700	132,483,553
Basic earnings per ordinary share (sen)	17.85	12.68

Diluted earnings per ordinary share

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

21. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	**Total amount RM**	**Date of payment**
2022			
Final 2021 single tier	3.5 per share	4,621,214	27 July 2022
2021			
Final 2020 single tier	3.0 per share	3,965,140	21 July 2021

The Directors recommend the payment of a final single tier dividend of 6.0 sen per ordinary share amounting to RM7,921,782 in respect of the financial year ended 31 December 2022. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2022, 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.

22. 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.

22. OPERATING SEGMENTS (CONTINUED)

2022	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	1,254,399	390,815	-	1,645,214
Inter-segment revenue	4,200	-	(4,200)	-
Dividends	19,308,051	-	(12,146,281)	7,161,770
Interest income	669,969	-	-	669,969
Investment distribution income	54,423	-	-	54,423
Revenue for the year	21,291,042	390,815	(12,150,481)	9,531,376
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	18,173,192	(134,650)	(12,576,539)	5,462,003
Interest expense	(9,746)	(720)	-	(10,466)
Gain on financial assets classified as fair value through profit or loss	464,229	-	-	464,229
Gain on disposal of investment in an associate	5,032,597	-	-	5,032,597
Impairment loss on amounts due from subsidiaries	(311,737)	-	311,737	-
Share of profit of equity accounted associates	14,651,077	-	-	14,651,077
Profit before tax	37,999,612	(135,370)	(12,264,802)	25,599,440
Income tax expense	(2,018,696)	(6,657)	-	(2,025,353)
Profit for the year	35,980,916	(142,027)	(12,264,802)	23,574,087
Segment assets	453,732,596	372,150	(103,311,445)	350,793,301
Included in the measure of segment assets are:				
Investments in associates	125,705,566	-	-	125,705,566
Non-current assets other than financial instruments and deferred tax assets	18,539,410	2	-	18,539,412
Additions to non-current assets other than financial instruments and deferred tax assets	142,104	-	-	142,104
Other segment information				
Depreciation of property and equipment	41,924	-	-	41,924
Depreciation of right-of-use assets	59,109	-	-	59,109

22. OPERATING SEGMENTS (CONTINUED)

2021	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	1,222,644	315,624	-	1,538,268
Inter-segment revenue	4,200	-	(4,200)	-
Dividends	12,370,408	-	(8,909,246)	3,461,162
Interest income	751,123	-	-	751,123
Investment distribution income	603,442	-	-	603,442
Revenue for the year	14,951,817	315,624	(8,913,446)	6,353,995
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	12,659,359	(270,880)	(9,008,433)	3,380,046
Interest income	-	7	-	7
Interest expense	(7,396)	(1,365)	-	(8,761)
Loss on financial assets classified as fair value through profit or loss	(2,147)	-	-	(2,147)
Gain on changes of interest in an associate	12,608	-	-	12,608
Gain on disposal of investment in an associate	1,588,988	-	-	1,588,988
Impairment loss on amounts due from subsidiaries	(256,872)	-	256,872	-
Share of profit of equity accounted associates	13,309,900	-	-	13,309,900
Profit before tax	27,304,440	(272,238)	(8,751,561)	18,280,641
Income tax expense	(1,528,946)	(12,202)	-	(1,541,148)
Profit for the year	25,775,494	(284,440)	(8,751,561)	16,739,493
Segment assets	413,444,446	390,989	(67,052,262)	346,783,173
Included in the measure of segment assets are:				
Investments in associates	133,928,495	-	-	133,928,495
Non-current assets other than financial instruments and deferred tax assets	18,494,283	2	-	18,494,285
Additions to non-current assets other than financial instruments and deferred tax assets	72,500	-	-	72,500
Other segment information				
Depreciation of property and equipment	45,557	-	-	45,557
Depreciation of right-of-use assets	57,334	60,833	-	118,167

23. FINANCIAL INSTRUMENTS

23.1 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
2022				
Financial assets				
Group				
Other investments	159,511,588	-	22,384,799	137,126,789
Trade and other receivables	212,484	212,484	-	-
Other assets	73,534	73,534	-	-
Deposit with licensed bank with original maturities more than three months	20,621,074	20,621,074	-	-
Cash and cash equivalents	25,989,951	25,989,951	-	-
	206,408,631	46,897,043	22,384,799	137,126,789
Company				
Other investments	74,672,700	-	22,384,799	52,287,901
Trade and other receivables	191,120	191,120	-	-
Other assets	58,090	58,090	-	-
Deposit with licensed bank with original maturities more than three months	20,621,074	20,621,074	-	-
Cash and cash equivalents	18,025,198	18,025,198	-	-
	113,568,182	38,895,482	22,384,799	52,287,901

	Carrying amount RM	AC RM
2022		
Financial liabilities		
Group		
Borrowings	166,500	166,500
Other payables (excluding deferred income)	1,492,835	1,492,835
	1,659,335	1,659,335
Company		
Other payables (excluding deferred income)	1,358,404	1,358,404

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.1 Categories of financial instruments (continued)

	Carrying amount RM	AC RM	Mandatorily at FVTPL RM	FVOCI - EIDUIR RM
2021				
Financial assets				
Group				
Other investments	105,450,305	-	-	105,450,305
Trade and other receivables	183,683	183,683	-	-
Other assets	84,037	84,037	-	-
Deposit with licensed bank with original maturities more than three months	20,188,216	20,188,216	-	-
Cash and cash equivalents	68,357,578	68,357,578	-	-
	194,263,819	88,813,514	-	105,450,305
Company				
Other investments	49,071,014	-	-	49,071,014
Trade and other receivables	160,265	160,265	-	-
Other assets	58,090	58,090	-	-
Deposit with licensed bank with original maturities more than three months	20,188,216	20,188,216	-	-
Cash and cash equivalents	61,566,223	61,566,223	-	-
	131,043,808	81,972,794	-	49,071,014

	Carrying amount RM	AC RM
2021		
Financial liabilities		
Group		
Borrowings	181,500	181,500
Other payables (excluding deferred income)	1,436,907	1,436,907
	1,618,407	1,618,407
Company		
Other payables (excluding deferred income)	1,309,302	1,309,302

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net gains/(losses) on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	518,652	601,295	518,652	605,417
Equity instruments designated at fair value through other comprehensive income	(970,402)	8,931,548	5,268,132	5,410,264
Financial assets at amortised cost	1,691,150	2,593,637	1,350,727	2,506,655
Financial liabilities at amortised cost	(720)	-	-	-
	1,238,680	12,126,480	7,137,511	8,522,336

23.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

23.4 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.4 Credit risk (continued)

Receivables (continued)

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 2022 RM	Group 2021 RM
Others	49,929	26,316

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
2022			
Not past due	49,929	-	49,929
2021			
Not past due	26,316	-	26,316

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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.4 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 the end of the reporting period.

Company	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2022			
Credit impaired	6,709,243	(6,709,243)	-
2021			
Credit impaired	6,397,506	(6,397,506)	-

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 2021	6,140,634
Net remeasurement of loss allowance	256,872
Balance at 31 December 2021/1 January 2022	6,397,506
Net remeasurement of loss allowance	311,737
Balance at 31 December 2022	6,709,243

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.4 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.

23.5 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.5 Liquidity risk (continued)

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	2-5 years RM	More than 5 years
2022							
Group							
Borrowings	166,500	0.43 - 1.33	166,500	7,726	12,787	51,149	94,838
Lease liabilities	95,697	10.88 - 11.00	110,249	69,631	40,618	-	-
Other payables	1,492,835	-	1,492,835	1,492,835	-	-	-
	1,755,032		1,769,584	1,570,192	53,405	51,149	94,838
Company							
Other payables	1,358,404	-	1,358,404	1,358,404	-	-	-

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.5 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	2-5 years RM	More than 5 years
2021							
Group							
Borrowings	181,500	0.43 - 1.33	181,500	-	8,422	41,818	131,260
Lease liabilities	33,956	10.88	38,186	38,186	-	-	-
Other payables	1,436,907	-	1,436,907	1,436,907	-	-	-
	1,652,363		1,656,593	1,475,093	8,422	41,818	131,260
Company							
Other payables	1,309,302	-	1,309,302	1,309,302	-	-	-

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 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.

23.6.1 Currency risk

The Group is exposed to foreign currency risk on other investments and 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"), Singapore Dollar ("SGD"), Australian Dollar ("AUD"), New Taiwan Dollar ("TWD") and Euro Dollar ("EUR"). 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:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Other investments held in:				
USD	8,533,351	10,011,010	4,132,844	5,866,315
HKD	83,967,736	54,848,368	28,986,306	25,571,191
AUD	16,233,019	18,480,143	-	-
EUR	4,427,010	-	-	-
	113,161,116	83,339,521	33,119,150	31,437,506
Cash and cash equivalents and deposits with licensed banks with original maturities more than 3 months held in:				
USD	6,350,544	852,290	5,809,240	848,126
HKD	4,356,680	4,793,651	569,933	1,236,422
SGD	5,847,447	17,521,523	5,847,447	17,521,523
AUD	54,755	26,593	-	-
TWD	65,441	453,893	65,441	453,893
EUR	8,336		-	
	16,683,203	23,647,950	12,292,061	20,059,964
Exposure in the statements of financial position	129,844,319	106,987,471	45,411,211	51,497,470

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 Market risk (continued)

23.6.1 Currency risk (continued)

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 10% (2021: 10%) strengthening of the RM against the USD, HKD, SGD, AUD, TWD and EUR 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.

	2022		2021	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
	RM	**RM**	**RM**	**RM**
Group				
USD	(853,335)	(635,054)	(1,001,101)	(85,229)
HKD	(8,396,774)	(435,668)	(5,484,837)	(479,365)
SGD	-	(584,745)	-	(1,752,152)
AUD	(1,623,302)	(5,476)	(1,848,014)	(2,659)
TWD	-	(6,544)	-	(45,389)
EUR	(442,701)	(834)	-	-
Company				
USD	(413,284)	(580,924)	(586,632)	(84,813)
HKD	(2,898,631)	(56,993)	(2,557,119)	(123,642)
SGD	-	(584,745)	-	(1,752,152)
TWD	-	(6,544)	-	(45,389)

A 10% (2021: 10%) weakening of RM against the USD, HKD, SGD, AUD, TWD and EUR at the end of the reporting period would have had equal but opposite effect on the USD, HKD, SGD, AUD, TWD and EUR to the amounts shown above, on the basis that all other variables remained constant.

23.6.2 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 Market risk (continued)

23.6.2 Interest rate risk (continued)

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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Fixed rate instruments				
Financial assets				
Deposits with licensed banks with original maturities:				
- more than 3 months	20,621,074	20,188,216	20,621,074	20,188,216
- 3 months or less	7,023,600	-	7,023,600	-
Financial liabilities				
Borrowings	(166,500)	(181,500)	-	-
	27,478,174	20,006,716	27,644,674	20,188,216

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.

23.6.3 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.

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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 Market risk (continued)

23.6.3 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, Hong Kong and Europe.

A 10% (2021: 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:

	2022		2021	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
Long term other investments	13,712,679	-	10,545,031	-
Short term other investments	-	2,238,480	-	-
Company				
Long term other investments	5,228,790	-	4,907,101	-
Short term other investments	-	2,238,480	-	-

A 10% (2021: 10%) weakening in the abovementioned stock exchanges and financial markets would have had equal but opposite effect on equity and profit or loss respectively.

23.7 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7 Fair value information (continued)

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.

	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		
2022	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Group										
Financial assets										
Investments in quoted instruments	128,593,438	-	-	128,593,438	-	-	-	-	128,593,438	128,593,438
Investments in unquoted instruments	-	-	8,533,351	8,533,351	-	-	-	-	8,533,351	8,533,351
	128,593,438	-	8,533,351	137,126,789	-	-	-	-	137,126,789	137,126,789
Financial liabilities										
Borrowings	-	-	-	-	-	-	(166,500)	(166,500)	(166,500)	(166,500)
Company										
Financial assets										
Investments in quoted instruments	48,155,057	-	-	48,155,057	-	-	-	-	48,155,057	48,155,057
Investments in unquoted instruments	-	-	4,132,844	4,132,844	-	-	-	-	4,132,844	4,132,844
	48,155,057	-	4,132,844	52,287,901	-	-	-	-	52,287,901	52,287,901

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7 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		
2021	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Group										
Financial assets										
Investments in quoted instruments	95,439,296	-	-	95,439,296	-	-	-	-	95,439,296	95,439,296
Investments in unquoted instruments	-	-	10,011,009	10,011,009	-	-	-	-	10,011,009	10,011,009
	95,439,296	-	10,011,009	105,450,305	-	-	-	-	105,450,305	105,450,305
Financial liabilities										
Borrowings	-	-	-	-	-	-	(181,500)	(181,500)	(181,500)	(181,500)
Company										
Financial assets										
Investments in quoted instruments	43,204,699	-	-	43,204,699	-	-	-	-	43,204,699	43,204,699
Investments in unquoted instruments	-	-	5,866,315	5,866,315	-	-	-	-	5,866,315	5,866,315
	43,204,699	-	5,866,315	49,071,014	-	-	-	-	49,071,014	49,071,014

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7 Fair value information (continued)

23.7.1 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 (2021: no transfer in either direction).

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

The fair values of investments in unquoted instruments are based on the recent price of transactions and the adjusted net asset by reference to the fair value of the assets and liabilities of the investee.

24. 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.

25. CAPITAL COMMITMENTS

	Group and Company	
	2022	2021
	RM	RM
Investment in unquoted shares		
Contracted but not provided for:	291,081	325,803

26. 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 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 16), are as follows:

	Transactions value year ended 31 December	
	2022	2021
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 59 to 122 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 2022 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: 27 April 2023

STATUTORY DECLARATION

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

STATE OF OKLAHOMA)
) ss.
COUNTY OF CLEVELAND)

The undersigned, **Gregory Charles Poarch**, being first duly sworn, does hereby state under oath as follows:

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 59 to 122 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true.

IN WITNESS WHEREOF, the undersigned has executed this Affidavit on this 27th day of April, 2023.

GREGORY CHARLES POARCH

STATE OF OKLAHOMA)
) ss.
COUNTY OF CLEVELAND)

BE IT REMEMBERED, that on this 27th day of April, 2023, before me, the undersigned, a Notary Public in and for said county and state came Gregory Charles Poarch, who is personally known to me to be the same person who executed the within instrument of writing, and duly acknowledged the execution of the same.

IN WITNESS THEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

Notary public

Commission No. 17001057

My Commission Expires: 1 February 2025

(SEAL)

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 2022 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 59 to 122.

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 2022, 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 Note 2(a)(v) – Significant accounting policies: "Associates" and Note 7 – Investments in associates.

The key audit matter

The Group owns 21.74% 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 2022 was RM14,667,612 and with carrying amounts of RM112,460,289. This associate has contributed approximately 32.24% to the Group's net assets which are significant in the context of the consolidated financial statements.

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.

Key Audit Matters (continued)

Investment in an associate (continued)

The key audit matter (continued)

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.

- 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.

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

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 Matter

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: 02782/09/2024 J
Chartered Accountant

Petaling Jaya

Date: 27 April 2023

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Carrying Value as at 31.12.2022 (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	32	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	15	357	Freehold	388,000	19.5.2006

ANALYSIS OF SHAREHOLDINGS
as at 31 March 2023

Total Number of Issued Shares	:	132,029,700.00
Class of Share	:	Ordinary shares
Voting Right	:	One vote per ordinary share held

DISTRIBUTION OF SHAREHOLDINGS *

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100 shares	280	17.67	11,965	0.01
100 – 1,000 shares	523	33.00	289,100	0.22
1,001 – 10,000 shares	543	34.26	2,235,124	1.69
10,001 – 100,000 shares	172	10.85	5,901,280	4.47
100,001 to less than 5% of issued shares	63	3.97	33,926,763	25.70
5% and above of issued shares	4	0.25	89,665,468	67.91
Total	**1,585**	**100.00**	**132,029,700**	**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 29 March 2023 which was subsequently captured in the Record of Depository ("ROD") dated 31 March 2023.

SUBSTANTIAL SHAREHOLDERS
(As per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Chang Mun Kee	70,229,494	53.19	(1) 7,435,900	5.63
Koo Tun Kit Betty	12,000,074	9.09	(2) 200,626	0.15
Wong Siew Hui	200,626	0.15	(3) 12,000,074	9.09

(1) 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.

(2) Deemed interested in 200,626 Ordinary Shares held by her spouse, Dr Wong Siew Hui pursuant to Section 8(4) of the Companies Act 2016.

(3) Deemed interested in 12,000,074 Ordinary Shares held by his spouse, Ms Koo Tun Kit Betty pursuant to Section 8(4) of the Companies Act 2016.

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	-	-
Teo Koon Hong	-	-	-	-
Cindy Eunbyol Ko	-	-	-	-
Lim Chao Li	1,000,000	0.76	-	-
Tan Beng Ling	-	-	-	-
Wong Siew Hui	200,626	0.15	(1) 12,000,074	9.09

(1) Deemed interested in 12,000,074 Ordinary Shares held by his spouse, Ms Koo Tun Kit Betty pursuant to Section 8(4) of the Companies Act 2016.

30 LARGEST SHAREHOLDERS *

	Name	**No. of Shares Held**	**%**
1.	AMSEC Nominees (Tempatan) Sdn Bhd *Ambank (M) Berhad for Chang Mun Kee (5032-1101)*	57,309,344	43.41
2.	HSBC Nominees (Tempatan) Sdn Bhd *BJB SG for Chang Mun Kee*	12,920,150	9.79
3.	Koo Tun Kit Betty	12,000,074	9.09
4.	HSBC Nominees (Asing) Sdn Bhd *EXEMPT AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)*	7,435,900	5.63
5.	Suresh A/L Thirugnanam	4,226,164	3.20
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)*	2,980,300	2.26
8.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	2,401,900	1.82
9.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Kuan Gin*	2,129,900	1.61
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.	Lim Gaik Bway @ Lim Chiew Ah	1,267,200	0.96
13.	Lim Chao Li	1,000,000	0.76
14.	Yeoh Liew Se	1,000,000	0.76

30 LARGEST SHAREHOLDERS * (CONTINUED)

	Name	No. of Shares Held	%
15.	IFAST Nominees (Tempatan) Sdn Bhd *Lee Sau Eng*	915,600	0.69
16.	Ng Kay Ian	651,558	0.49
17.	AmBank (M) Berhad *Pledged Securities Account for Ali bin Abdul Kadir (Smart)*	592,000	0.45
18.	Yew Kok Onn	550,300	0.42
19.	TMF Trustees Malaysia Berhad *JPOS Trust*	506,000	0.38
20.	Yeoh Phaik Seok	494,800	0.37
21.	Hsbc Nominees (Asing) Sdn Bhd Quintet Luxembourg For Samarang Ucits - Samarang Asian Prosperity	416,800	0.32
22.	Tay Kok Choon	407,258	0.31
23.	Affin Hwang Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for GF Capital Global Limited*	364,320	0.28
24.	Wong You Fatt	333,200	0.25
25.	Leong Wai Kong	330,000	0.25
26.	Ling Hua Wei	281,831	0.21
27.	Tan Beng Kheng	281,582	0.21
28.	Chook Yuh Yng	260,300	0.20
29.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Teck Soon (E-Ss2)	260,000	0.20
30.	Goh Eng Ngai	258,700	0.20

* 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 29 March 2023 which was subsequently captured in the ROD dated 31 March 2023.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth ("**19th**") Annual General Meeting ("**AGM**") of JCBNEXT BERHAD ("**JcbNext**" or "**the Company**") will be conducted entirely on a fully virtual basis through live streaming and online remote voting via the meeting platform at **https://meeting.boardroomlimited.my** **(Domain Registration No. with MYNIC - D6A357657)** on Tuesday, 20 June 2023 at 10.30 a.m. for the following purposes:

Meeting Date	:	Tuesday, 20 June 2023
Time	:	10.30 a.m.
Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	:	1) Submit questions to the Board of Directors **("Board")** prior to the 19th AGM by emailing to ir@jcbnext.com no later than 5.00 p.m., Tuesday, 13 June 2023. 2) Post questions to the Board via submission of typed text at https://meeting.boardroomlimited.my during live streaming of 19th AGM.

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 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 6.0 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2022.

   Ordinary Resolution 1

3. To approve the Directors' Fees up to an aggregate amount of RM323,230.00 for the financial year ending 31 December 2023 and Benefits Payable to Non-Executive Directors up to an aggregate amount of RM43,500.00 for the period from the 19th AGM until the next AGM of the Company in year 2024 and the payment thereof.

   Ordinary Resolution 2
   (Please refer to Note 2 of the Explanatory Notes)

4. To approve the Director's Fees to Ms Tan Beng Ling from the date of appointment until 31 December 2022 and the payment thereof.

   Ordinary Resolution 3
   (Please refer to Note 3 of the Explanatory Notes)

5. To re-elect Datuk Ali Bin Abdul Kadir who is retiring under Clause 96 of the Constitution of the Company.

   Ordinary Resolution 4
   (Please refer to Note 4 of the Explanatory Notes)

   Ms Cindy Eunbyol Ko who retires in accordance with Clause 96 of the Constitution of the Company, has expressed her intention not to seek for re-election at the 19th AGM and will retain office until the conclusion of the 19th AGM.

6. To re-elect the following Directors who are retiring pursuant to Clause 103 of the Constitution of the Company:

   (i) Ms Tan Beng Ling **Ordinary Resolution 5**
   (ii) Dr Wong Siew Hui **Ordinary Resolution 6**
   (Please refer to Note 4 of the Explanatory Notes)

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

   Ordinary Resolution 7
   (Please refer to Note 5 of the Explanatory Notes)

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

8. **Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

"THAT pursuant to Sections 75 and 76 of 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 relevant regulatory bodies being obtained for such allotment and issuance.

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all aspects with the existing shares of the Company, save and except that they shall not be entitled to any dividend, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 8
(Please refer to Note 6 of the Explanatory Notes)

9. **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 2022, the audited retained profits of the Company stood at approximately RM101.28 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 a 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, 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 (if any); 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 9
(Please refer to Note 7 of the Explanatory Notes)

10. 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 19th AGM to be held on Tuesday, 20 June 2023, a Final Dividend of 6.0 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2022 will be paid to shareholders on 25 July 2023. The entitlement date for the said dividend shall be on 4 July 2023.

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 4 July 2023 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)

TAN AI NING
(SSM PC No. 202008000067)
(MAICSA 7015852)

Company Secretaries

Selangor Darul Ehsan
Date: 28 April 2023

NOTES:

1. The 19th AGM of the Company will be conducted entirely on a fully virtual basis where the shareholders are only allowed to participate remotely through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities via online meeting platform available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the Administrative Details for the 19th AGM to register, participate and vote (collectively, "**participate**") remotely via the RPEV facilities. The Administrative Details of the 19th General Meeting is available for download at https://www.jcbnext.com/?page_id=183.

2. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at **13 June 2023** shall be eligible to participate or appoint proxy(ies) to participate and vote on his/her behalf.

3. 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 participate 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.

4. 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.

5. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. 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.

7. The instrument appointing a proxy by a member who is entitled to participate at the 19th AGM, 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.

8. 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 19th 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 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://investor.boardroomlimited.com or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Details of the 19th AGM in order to deposit the Proxy Form electronically.

9. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic 19th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

10. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 19th 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

Following the appointment of Ms Tan Beng Ling as Independent Non-Executive Director of the Company on 9 September 2022, the Remuneration Committee had proposed to increase the Directors' Fees and recommend up to an aggregate amount of RM323,230.00 for the financial year ending 31 December 2023. Based on the recommendation from the Remuneration Committee, the Board approved the proposed revised Directors' Fees for the financial year ending 31 December 2023 to be tabled to the shareholders for approval at the forthcoming 19th AGM of the Company. The amount of Directors' Fees payable includes fee payable to Directors as a member of Board and Board Committees. Other than the Directors' Fees from the Company, the Non-Executive Directors do not receive any Directors' Fees from any of the subsidiaries within the JcbNext Group.

The amount of Directors' benefits payable to Non-Executive Directors up to an aggregate amount of RM43,500.00 comprises meeting allowances from this 19th AGM until the conclusion of the next AGM of the Company in year 2024 pursuant to the Act which shareholders' approval will be sought at this 19th AGM in accordance with Section 230(1) of the Act. In determining the estimated total amount of the Directors' Benefits, the Board has considered the number of scheduled and special meetings (if any) for the Board and Board Committees as well as the number of Non-Executive Directors involved in the meetings. Other than the benefits payable from the Company, the Non-Executive Directors do not receive any benefits payable from any of the subsidiaries within the JcbNext Group.

The Executive Director do not receive any fees as Director, but he is remunerated with salary, benefits and other emoluments by virtue of his contract of service or employment which do not require approval by shareholders.

In the event that the proposed Directors' Fees and Benefits Payable during the above period exceed the estimated amount sought at the 19th AGM, approval will be sought at the next AGM for additional Directors' Fees and Benefits Payable to meet the shortfall, prior to the payment is made.

3. Ordinary Resolution 3 – Director's Fees to Ms Tan Beng Ling

Ms Tan Beng Ling was appointed as Independent Non-Executive Director of the Company effective 9 September 2022. The payment of the Director's Fees of RM21,238.00 for the period from the date of her appointment up to 31 December 2022 will be made if the proposed Ordinary Resolution 3 has been passed at the 19th AGM of the Company.

4. Ordinary Resolutions 4 - 6 – Re-election of Directors

The performance of Datuk Ali Bin Abdul Kadir, Ms Tan Beng Ling and Dr Wong Siew Hui who are due for retirement as Directors, have been assessed through the Board annual evaluation and being eligible, have offered themselves for re-election at the 19th AGM.

The Nomination Committee and the Board are satisfied with the performance and effectiveness of the aforesaid Directors and concluded that they have met the criteria as prescribed under Paragraph 2.20A of the Listing Requirements on character, experience, integrity, competence and time commitment to their roles as Directors. In addition, the Nomination Committee has also conducted an assessment on the fitness and propriety of the retiring Directors including the review of their fit and proper assessment declarations in accordance with the Directors' Fit & Proper Policy of the Company.

The retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election at the relevant Nomination Committee and Board meetings.

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 4 - 6 are set out in the Board's profile of the Annual Report 2022.

Ms Cindy Eunbyol Ko, having served as an Independent Non-Executive Director of the Company for almost four (4) years will retire by rotation as a director in accordance with Clause 96 of the Company's Constitution. As she will not be seeking re-election, Ms Cindy Eunbyol Ko will retire at the conclusion of the 19th AGM.

5. Ordinary Resolution 7 – Re-appointment of Auditors

Messrs. KPMG PLT, the auditors of the Company have expressed their willingness to continue in office as auditors of the Company for the financial year ending 31 December 2023. The Board has approved the Audit and Risk Committee's recommendation that they be retained after taking into account relevant feedback on their experience, performance and independence following a formal assessment.

6. Ordinary Resolution 8 – Proposed Renewal of Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares

The Company had, during its Eighteenth ("**18th**") AGM held on 22 June 2022, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. As at the date of this notice, the Company has not issued any shares pursuant to this mandate obtained.

Ordinary Resolution 8 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 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 ("**General Mandate**"). 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.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 18th AGM held on 22 June 2022 and which will lapse at the conclusion of the 19th AGM. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make an announcement in respect thereof.

7. Ordinary Resolution 9 - Proposed Share Buy-Back

The proposed Ordinary Resolution 9 under item 9 of the Agenda, 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 19th 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 28 April 2023 which was despatched together with this Annual Report.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate 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 NINETEENTH ("19TH") ANNUAL GENERAL MEETING

Meeting Date	:	Tuesday, 20 June 2023
Time	:	10.30 a.m.
Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	:	1) Submit questions to the Board of Directors **("Board")** prior to the 19th Annual General Meeting ("**AGM**") by emailing to ir@jcbnext.com no later than 5.00 p.m., Tuesday, 13 June 2023. 2) Post questions to the Board via submission of typed text at https://meeting.boardroomlimited.my during live streaming of 19th AGM.

Dear Valued Shareholders,

The Company will conduct its forthcoming 19th AGM entirely on a fully virtual basis via remote participation and electronic voting ("**RPEV**") facilities to be provided by the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., in accordance with Section 327 of the Companies Act 2016 and Clause 64 of the Constitution of the Company ("**Fully Virtual AGM**").

In line with the Malaysian Code on Corporate Governance Practice 13.3, conducting a Fully Virtual AGM 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 and/or Management of the Company) and vote at the 19th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 19th AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our fully virtual 19th 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.

<u>Digital Copies of AGM Documents</u>

1. As part of our dedicated commitment to sustainable practices, the following documents are available for download from Bursa Malaysia Securities Berhad's website at http://www.bursamalaysia.com and JcbNext Berhad's website at https://www.jcbnext.com/?page_id=183:-

   (a) Annual Report 2022;
   (b) Corporate Governance Report 2022;
   (c) Notice of the 19th AGM;
   (d) Proxy Form;
   (e) Administrative Details of the 19th AGM; and
   (f) 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 28 April 2023 ("**Statement to Shareholders**")

2. If you wish to receive a printed black and white copy of the Annual Report 2022, 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 2022 will be delivered to you by ordinary post as soon as practicable after the receipt of your request. Alternatively, you may navigate to the website of our Share Registrar to request for a printed copy of the Annual Report 2022 as follows:-

Step 1	:	Log in to https://investor.boardroomlimited.com.
Step 2	:	At left-menu, click on <<**Investor Services**>> and <<**Request For Annual Report and Statement to Shareholders**>>.
Step 3	:	Please select the company name or Bursa stock code before completing the online request form.
Step 4	:	Please click <<**Submit**>> button to send your request.

No Vouchers/Door Gifts

There will be **NO VOUCHER(S) OR ANY DOOR GIFT(S)** for members/proxies who participate in the AGM.

Entitlement to Participate and Vote at the AGM

Only a depositor whose name appears in the Record of Depositors as at 13 June 2023 is entitled to participate and vote at the said meeting or appoint proxies to participate 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 19th AGM using the RPEV facilities. If you wish to personally participate in this 19th AGM, please do not appoint any proxy/ies. You will not be allowed to participate in the meeting together with a proxy appointed by you.

2. If a shareholder is unable to attend the 19th AGM on Tuesday, 20 June 2023, he/she can appoint the Chairman of the meeting or a proxy to participate 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 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan by **Sunday, 18 June 2023 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://investor.boardroomlimited.com by logging in and selecting "**Submit eProxy Form**" no later than the aforementioned date and time. For further information, kindly refer to the "Online Registration Procedure" below.

Revocation of Proxy

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our electronic 19th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the 19th AGM. On revocation, your proxy(ies) will not be allowed to participate in the 19th AGM. In such event, you should advise your proxy(ies) accordingly.

Corporate Shareholder

Any corporate shareholder who wishes to appoint a representative instead of a proxy to attend the meeting should submit the original certificate of appointment under the seal of the corporation to the office of the Share Registrar at any time before the time appointed for holding the meeting.

Voting Procedure

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 19th AGM will be conducted by-poll. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting ("**e-voting**") and Quantegic Services Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results.

2. During the 19th 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. Members and proxies are required to use the following methods to vote remotely: -

   a. Launch Lumi AGM by scanning the QR code given to you in the email along with your remote participation User ID and Password; or
   b. Access Lumi AGM via the website URL https://meeting.boardroomlimited.my.

   For the purpose of this AGM, e-voting can be carried out by using either personal smart mobile phones, tablets, personal computers or laptops.

4. 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 otherwise.

Online Registration Procedures

1. All shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees shall use the RPEV facilities to participate and vote remotely at the 19th AGM. You will be able to view a live webcast of the meeting, ask questions and submit your votes in real-time whilst the meeting is in progress.

2. Kindly follow the steps below to request your login ID and password and usage of the RPEV facilities:-

Procedure		Action
Before the day of the AGM		
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. You may proceed to Step 2 - Submit your request for remote participation]* a. Access website https://investor.boardroomlimited.com b. Click <<**Registe**r>> to sign up as a user. c. Please select the correct account type, i.e. sign up as "**Shareholder**" or "**Corporate Holder**". d. Complete the registration and upload a softcopy of your MyKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG, PNG or PDF Format. e. For Corporate Holder, kindly upload the authorisation letter and click <<**Sign Up**>>. f. You will receive an email from Boardroom for email address verification. Click <<**Verify Email Address**>> from the email received to continue with the registration. g. Once your email address is verified, you will be re-directed to Boardroom Smart Investor Portal for verification of mobile number. Click <<**Request OTP Code**>> and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click <<**Enter**>> to complete the process. h. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.

2.	Submit request for remote participation **(User ID and Password)**	Registration for remote access will be opened on **Friday, 28 April 2023** at **10.30 a.m.** Please note that the closing time to submit your request is not less than **forty-eight (48) hours** before the time of holding the 19th AGM, i.e. latest by **Sunday, 18 June 2023** at **10.30 a.m.** **Individual Members** a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1. above. b. Select "**JCBNEXT BERHAD 19TH ANNUAL GENERAL MEETING**" from the list of Meetings Event(s) and click "**Enter**". c. Click on "**Register for RPEV**". d. Enter your CDS Account Number e. Read and accept the General Terms and Conditions by clicking "**Register**". **Appointment of Proxy – Individual members** a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1. above. b. Select "**JCBNEXT BERHAD 19TH ANNUAL GENERAL MEETING**" from the list of Meetings Event(s) and click "Enter". c. Click on "**Submit eProxy Form**". d. Select the company you would like to represent (if more than one, for corporate shareholder); e. Read and accept the General Terms and Conditions by clicking "**Next**" f. Enter your CDS Account Number and number of securities held. Select your proxy – either the Chairman of the meeting or an individual named proxy(ies) and enter the required particulars of your proxy(ies). g. Indicate your voting instructions – **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate "**DISCRETIONARY"**. h. Review and confirm your proxy appointment. i. Click "**Apply**". j. Download or print the eProxy form as acknowledgement. **Corporate Shareholders (via email)** a. To submit the request, Corporate Shareholders need to deposit the original hardcopy to Boardroom and write in to bsr.helpdesk@boardroomlimited.com by providing the name of shareholder, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case maybe) to submit the request. b. Please provide a copy of corporate representative's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address. **Authorised Nominee and Exempt Authorised Nominee** **Via Boardroom Smart Investor Portal** a. Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Select "**JCBNEXT BERHAD 19TH ANNUAL GENERAL MEETING**" from the list of Meetings Event(s) and click "**Enter**"**.** c. Click on "**Submit eProxy Form**". d. Select the company you would like to represent (if more than one). e. Proceed to download the file format for "**Submission of Proxy Form**" from Boardroom Smart Investor Portal. f. Prepare the file for the appointment of proxies by inserting the required data. g. Proceed to upload the duly completed proxy appointment file. h. Review and confirm your proxy appointment and click "**Submit**". i. Download or print the eProxy form as acknowledgement. *Note: if you wish to appoint more than one (1) company, kindly click the home button and select "**Edit Profile**" in order to add company name.*

		Via email a. To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to Boardroom and write in to bsr.helpdesk@boardroomlimited.com by providing softcopy of the Form(s) of Proxy, the name of shareholders and CDS Account Number. b. Please provide a copy of the proxy holder's MyKad (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.
3.	Email notification	a. You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified. b. Upon verification of your registration against the General Meeting Record of Depositories as at **13 June 2023**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation **after Sunday, 18 June 2023**. c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date. d. Please note that the closing date and time to submit your request for remote participation User ID and Password is on **Sunday, 18 June 2023** at **10.30 a.m.** (48 hours before the commencement of the 19th AGM).
On the day of the AGM		
4.	Login to Meeting Platform	a. The Meeting Platform will be opened for login one (1) hour before the commencement of the 19th AGM at **9.30 a.m**. on **Tuesday, 20 June 2023,** which can be accessed via one of the following methods: ➢ Launch **Lumi AGM** by scanning the QR Code provided in the email notification; or ➢ Access the Lumi AGM webportal via the website at https://meeting.boardroomlimited.my. b. Insert the Meeting ID number and sign in with the user ID and password provided to you via the email notification in Step 3 above.
5.	Participate through Live Streaming	*[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.]* 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 19th AGM, select the messaging icon. c. Type your message within the chat box, once completed click the send button.
6.	Online Remote Voting	a. Once the meeting is opened for voting, the polling icon will appear with the resolutions and your voting choices. b. To vote, 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**".

6.	Online Remote Voting	a. Once the meeting is opened for voting, the polling icon will appear with the resolutions and your voting choices. b. To vote, 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 Remote Participation	a. Upon the announcement by the Chairman on the closure of the 19th AGM, the live streaming will end. b. You can then log out from the virtual meeting platform.

Pre-Meeting Submission Of Questions

In order to enhance the efficiency of the proceedings of the19th AGM, the shareholders may submit questions to the Company via e-mail to ir@jcbnext.com **not later than Tuesday, 13 June 2023 at 5:00 p.m.** or via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com **not later than Sunday, 18 June 2023 at 10:30 a.m.** If time permits, the Chairman and the Board will endeavour their best to respond to the questions submitted by the shareholders which are related to the resolutions to be tabled at the 19th AGM. The shareholders are encouraged to submit questions before the 19th AGM as priority will be given to questions submitted before the19th AGM.

Recording or Photography At The 19th AGM

Strictly no recording or photography of the 19th AGM proceedings is allowed.

Enquiry

If you have any enquiries prior to the 19th AGM, please contact the following during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.) (except on public holidays):-

Boardroom Share Registrars Sdn. Bhd. [Registration No. 199601006647 (378993-D)]

Address	:	11th 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)

………Telephone No.: ……………..…………………………..
(FULL ADDRESS)

and, Email address: ……………………………………………..…………… being a member/members of **JCBNEXT BERHAD ("Company"),** hereby

appoint ……………..……………………..………..………..……..……………. NRIC/Passport No.: ………………..………..…….…………………… of
(NAME IN FULL AND BLOCK LETTERS)

………………………………………………………………………………………………..………Telephone No.: ………..……………………….…
(FULL ADDRESS)

and, Email address: ………………………………………….and/or failing him/her, …………………………………………………………
(NAME IN FULL AND BLOCK LETTERS)

NRIC/Passport No.: ………………….……….. of ……...………………………………...………………………….……..………………………
(FULL ADDRESS)

Telephone no.: ……………………..……….… and, Email 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 Nineteenth ("**19th**") Annual General Meeting **("AGM")** of the Company, to be conducted entirely on a **fully virtual** basis through live streaming and online remote voting using **Remote Participation and Electronic Voting ("RPEV")** facilities via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on **Tuesday, 20 June 2023** 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 6.0 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2022.		
Ordinary Resolution 2	Approval of Directors' Fees for the financial year ending 31 December 2023 and Benefits Payable to the Non-Executive Directors for the period from the 19th AGM until the next AGM of the Company in year 2024 and the payment thereof.		
Ordinary Resolution 3	Approval of Director's Fees to Ms Tan Beng Ling from the date of appointment until 31 December 2022 and the payment thereof.		
Ordinary Resolution 4	Re-election of Datuk Ali Bin Abdul Kadir as Director pursuant to Clause 96 of the Constitution of the Company.		
Ordinary Resolution 5	Re-election of Ms Tan Beng Ling as Director pursuant to Clause 103 of the Constitution of the Company.		
Ordinary Resolution 6	Re-election of Dr Wong Siew Hui as Director pursuant to Clause 103 of the Constitution of the Company.		
Ordinary Resolution 7	Re-appointment of Messrs. KPMG PLT as Auditors of the Company.		
Ordinary Resolution 8	Proposed Renewal of Authority for the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares of up to 10% of the total number of issued 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 ………………….. 2023

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:-

First Proxy	%
Second Proxy	%
Total	100%

………………………………………………..
Signature of Member(s)^

^ Manner of execution:-
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the Constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your corporation (if any) and executed by:-
 (i) at least two (2) authorised officers, of whom one shall be a director; or
 (ii) any Director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:
1. The 19th AGM of the Company will be conducted entirely on a fully virtual basis where the shareholders are only allowed to participate remotely through live streaming and online remote voting using Remote Participation and Electronic Voting **("RPEV facilities")** facilities via online meeting platform available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657. Please follow the procedures provided in the Administrative Details for the 19th AGM to register, participate and vote (collectively, "**participate**") remotely via the RPEV facilities. The Administrative Details of the 19th General Meeting is available for download at https://www.jcbnext.com/?page_id=183.

2. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at **13 June 2023** shall be eligible to participate or appoint proxy(ies) to participate and vote on his/her behalf.
3. 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 participate 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. The members, proxies or corporate representatives may submit questions before the 19th AGM to the Chairman or the Board electronically by email to ir@jcbnext.com no later than Tuesday, 13 June 2023 at 5.00 p.m. or via real time submission of typed texts via RPEV facilities during the live streaming of the 19th AGM as the primary mode of communication.
4. 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.
5. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. 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.
7. The instrument appointing a proxy by a member who is entitled to participate at the 19th AGM, 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.
8. 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 19th 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 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://investor.boardroomlimited.com or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Details of the 19th AGM in order to deposit the Proxy Form electronically.
9. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic 19th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
10. 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 pursuant to Personal Data Protection Act, 2010.

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STAMP

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
MALAYSIA

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