

JcbNext Berhad

Annual Report 2023

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GROUP PERFORMANCE HIGHLIGHTS

Financial Year Ended 31 December	2019	2020	2021	2022	2023
Operating Results (RM million)					
Revenue	8.7	6.0	6.4	9.5	10.9
Profit before tax	11.8	7.9	18.3	25.6	41.3
Profit after tax	10.3	6.4	16.7	23.6	35.5
Profit attributable to owners of the Company	10.3	6.5	16.8	23.6	35.5
Net free cash flow	10.1	7.4	9.0	14.6	17.0
Key Balance Sheet Data (RM million)					
Total assets	327.8	325.5	346.8	350.8	371.7
Adjusted net asset value [#]	384.9	382.7	425.5	446.4	457.9
Equity attributable to owners of the Company	325.8	323.6	344.9	348.8	362.1
No. of ordinary shares in issuance (no. of shares, million)	135.6	134.1	132.0	132.0	132.0
Share Information and Valuation					
Book value per share (RM)	2.40	2.41	2.61	2.64	2.74
Adjusted net asset value share (RM)	2.84	2.85	3.22	3.38	3.47
Earnings per share (sen)	7.55	4.80	12.68	17.85	26.88
Net dividend per share (sen)	4.00	3.00	3.50	6.00	6.50 [⊕]
Share price as at 31 December (RM)	1.45	1.40	1.38	1.28	1.59
Net dividend yield (%)	2.76	2.14	2.54	4.69	4.09
Financial Ratios					
Return on equity (%)	3.2	2.0	4.9	6.8	9.8
Operating margin (%)	36.63	(0.38)	53.2	57.31	68.27
Net profit margin (%)	118.69	107.12	264.36	247.32	325.36

Associates at market value

⊕ Included the proposed final single tier dividend of 6.5 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

Senior 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, Senior 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, Senior Independent Non-Executive Director

Tan Beng Ling

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, Senior Independent Non-Executive Director

Tan Beng Ling

Member, Independent Non-Executive Director

INVESTMENT COMMITTEE

Lim Chao Li

Chairman, Non-Independent Non-Executive Director

Teo Koon Hong

Member, Senior 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

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E-mail : boardroom-kl@boardroomlimited.com

Website : www.boardroomlimited.com

HEAD OFFICE

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(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

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Website : www.boardroomlimited.com

WEBSITE

www.jcbnext.com

CORPORATE STRUCTURE

as at 26 April 2024

JcbNext Berhad



PROFILE OF DIRECTORS

Datuk Ali bin Abdul Kadir

Non-Independent Non-Executive Chairman
Malaysian, 75 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 and Amanah Lestari Alam. He is also a Board Member of 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 several national-level committees including the Foreign Investment Committee and the Oversight Committee of National Asset Management Company (Danaharta). Before 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 Citibank Berhad and 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 a 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 2023.

Teo Koon Hong

Senior Independent Non-Executive Director
Singaporean, 74 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.

PROFILE OF DIRECTORS (CONTINUED)

From 1985 to 1996, Mr. Teo invested in 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 2023.

Tan Beng Ling

Independent Non-Executive Director
Malaysian, 61 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 of 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 Chua Family Foundation and was previously a director of Beshom Holdings Berhad.

Ms. Tan has attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2023.

Lim Chao Li

Non-Independent Non-Executive Director
Malaysian, 58 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 2023.

PROFILE OF DIRECTORS (CONTINUED)

Dr. Wong Siew Hui

Executive Director

Malaysian, 60 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.

For the financial year ended 31 December 2023, Dr. Albert attended all three (3) Board Meetings of the Company, which were held subsequent to his appointment as Executive Director on 24 February 2023.

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 or potential conflict of interest in any business arrangements involving the Company or its subsidiaries, 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, 40 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 analyzing 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 a 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. Save for his shareholdings in the Company as disclosed on page 127 of the Annual Report, he does not have any other interest in the securities of the Company and its subsidiaries.

Gregory Charles Poarch

Chief Financial Officer

American, 59 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, a 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, 60 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.

Other than JobNext Berhad, 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 or potential 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 2023.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2023, the Group recorded revenue of RM10.91 million, profit before tax of RM41.32 million and a profit attributable to shareholders of RM35.49 million, representing year on year (“YoY”) increase of 14.4%, 61.4% and 50.6% respectively. The growth is brought about by an increase in dividend income from equity investments from RM7.16 million in 2022 to RM7.86 million in 2023. In addition, the Group's interest income had increased 123.4% to RM1.50 million in 2023 and similarly, gains on financial assets classified as fair value through profit and loss which are mainly in respect of the Group's investment in money market funds, had increased by RM1.00 million, driven partly by the increase in cash as well as the general increase in interest rates during the year. We also continued to sell shares of 104 Corporation in the open market during the year which contributed gains amounting to RM18.47 million to our bottom line. The Group's operating expenses had decreased by 11.1% YoY with the decrease attributed to lower staff cost and consolidation of the Group's subsidiary in Japan for six months as it was sold in June 2023. 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 RM35.49 million, the Group's net assets grew by only RM13.35 million or 3.8% YoY. This was mainly due to a decrease in the fair value of the Group's equity investments designated at fair value through other comprehensive income (FVOCI) during the year by RM15.32 million. The decrease was mainly attributable to the Group's investments in Hastings Technology Metal Limited and Chinese stocks. After accounting for the payment of the final dividend for 2022 amounting to RM7.92 million, net assets or shareholders' funds increased from RM348.80 million in 2022 to RM362.15 million in the current financial year.

As at 31 December 2023, our total assets stood at RM371.66 million with shareholders' funds recorded at RM362.15 million (book value per share of RM2.74), compared with RM350.79 million and RM348.80 million (book value per share of RM2.64) at the end of 2022. With liquid cash and short-term investments in money market funds totalling RM109.57 million, and no debt, we continue to search for acquisition opportunities and believe we are positioned well to enter into long-term partnerships when such opportunities eventually arise.

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

LETTER FROM THE CHAIRMAN (CONTINUED)

DIVIDEND

The Board of Directors is pleased to propose a final single-tier dividend of 6.5 sen per share for 2023 (2022: 6.0 sen). The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

CORPORATE DEVELOPMENTS

2023 was a relatively quiet year for us. During the year, the Group had invested an additional RM6.48 million into its equity portfolio. In a way, this reflects our investment philosophy of patiently building up a collection of good businesses that can provide us with a regular stream of dividends. We will not buy if such buying is inconsistent with our investment strategy and criteria. During the year, the Group had also sold some investments amounting to RM2.68 million and such disposals are more often than not driven by changes in fundamentals so much so that the investment no longer aligns with our investment criteria. I wish to reiterate that JcbNext remains a long-term investor and does not engage in short-term speculative trading of shares.

GOING FORWARD

2024 may be an unpredictable year for equity markets with many variables in play. How the US and advanced economies perform and whether they can tame inflation will affect the direction of interest rates which in turn may have a bearing on equity markets. Recent economic data have shown that inflation may be more stubborn than expected, reinforcing the belief that interest rates may be kept higher for longer. Other questions that do not have clear answers include whether the second largest economy in the world, China will be able to overcome the crisis in its property sector which is weighing down on its economy and dampening household and business confidence. Geopolitical developments ranging from the war in Ukraine, the Middle East and the record number of elections around the world this year may also be a catalyst of turbulence for investors. Despite the uncertain 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 Report 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

Dear shareholders,

Overall performance

Our company recorded a revenue of RM10.9 million in FY2023, an increase of 14.4% from the RM9.5 million in FY2022. Net profit attributable to shareholders rose to RM35.5 million, 50.6% higher than the RM23.6 million figure in FY2022. However, as shared previously, accounting revenue and profitability figures might not truly explain the economic substance of our company due to the nature of our business.

In particular, FY2023 was a year when the growth in our accounting profits – in my opinion – grossly overstated the economic substance of our performance. Among developments captured in the RM35.5 million profit included: i) RM18.5 million accounting gain on disposal of investment in an associate, and ii) RM1.2 million foreign exchange gain. The RM18.5 million gain on disposal was recognised mainly from the sales of a portion of our shareholding in Taiwan-listed associate 104 Corp, at a price higher than its carrying value in our books. I struggle to understand how such a transaction could be deemed to increase our profitability levels as it merely converts our investments into cash. You will likely see such anomalies again whenever we sell investments carried at a lower book value than the sales price.

The following are several key data points that the management focuses on, that I hope would give you a more complete picture of our performance. In short, we managed to increase our free cash generation in 2023, but nothing near the 50% plus growth rate suggested by the growth in our “profits”.

1. Our assets produced dividends, interest and rental incomes of about RM23.6 million in 2023 before taxes, a 10.9% increase from RM21.3 million in 2022. This can be traced back to an increase in dividends received from 104 Corp and the HKEX-listed Lion Rock, offset by a decrease in dividends in our new equity portfolio - primarily due to a one-off special dividend of RM700K that a portfolio company paid in 2022.
2. Staff costs and other operating expenses at our investment holding operations were RM3.3 million in 2023, a decrease of about 8.9% from 2022. This excludes forex gains or losses. The RM3.3 million figure is about 0.7% of our 2022 year-end Net Asset Value (NAV) of RM446.4 million (note NAV definition below).
3. Deducting taxes and making some other minor adjustments, the free cash flow generated by our business is estimated to have increased by about 17.3% from RM14.6 million in 2022 to RM17.0 million in 2023, of which about 50% we would usually pay out as dividends.
4. As at 31 December 2023, the book value (BV) of our company stood at about RM362.1 million, the biggest component of which is RM243.8 million in marketable securities including stakes in our listed associate companies (104 Corp and Innity), RM109.6 million in cash and money market funds and RM18.0 million in investment properties, with no material debt. This book value figure increased by approximately 3.8% compared to 2022.

LETTER FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

5. If we had calculated the value of our assets using the market prices of our associates, rather than what is shown on our balance sheet, the figure - which we would loosely call the Net Asset Value (NAV) - would be RM457.9 million at the end of 2023, an increase of about 2.6% compared to 2022.

Larger business investments

As shared in previous 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.*

104 Corp

Our largest investment is 104 Corp in Taiwan, which saw its growth in after-tax profits normalised to 1.4% in 2023 year-on-year, after growing 20.6% in 2022 and 43.2% in 2021. As cautioned last year, despite the tailwind from a strong semiconductor industry in Taiwan, the staggering growth numbers seen in 2021 and 2022 were unlikely to sustain for any extended period given the competitive nature of the capitalist system – as much as we love the 104 business and its management team.

Nonetheless, we remain very happy shareholders in the company and are cautiously optimistic that the current management team will continue to work hard to create value for shareholders like us. For 2023, the company has again announced that they intend to pay out 100% of their 2023 profits as dividends later this year. 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 like us.

Note, based on our cost – our dividend yield from the 104 Corp investment is now about 18.0%! (note: this includes positive impact of TWD appreciation against the Ringgit). We first invested in 104 Corp in 2008 as part of a strategic plan to expand Jobstreet's online footprint. The current strong double-digit dividend yield will continue to remind us of the merits of investing long-term in good businesses and management teams. Quoting Warren Buffett: "Time is the friend of the wonderful business, the enemy of the mediocre".

That said, 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 27.9% of our book value as at the end of 2023. 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.

Other larger business investments

The business environment in 2023 was challenging for most of our other larger business investments.

Lion Rock in Hong Kong saw profitability decline by 15.8% in 2023 from the previous year, mainly due to the absence of a one-off gain in 2022 from derecognizing London-based publishing company Quarto as an associate – it's now a subsidiary company of Lion Rock. Lion Rock guided that their publishing clients

LETTER FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

continue to face post-Covid inventory management issues, having built up substantial stock in the face of global supply chain disruptions in 2022. It also warned overcapacity among Chinese printers has exerted downward pressure on printing margins.

Meanwhile, Hastings in Australia experienced a very challenging year as prices of rare earth elements NdPr plunged, while the global fundraising environment deteriorated as interest rates increased. This double whammy, together with question marks over the repayment of a convertible note due in 2025, has put tremendous pressure on its share price – down about 80% in the past year. In my opinion, the long-term outlook for the rare earth industry remains broadly intact, while we continue to see Hastings management team working on its financing options, as well as its mining operations. However, short-term pressures are likely to persist, raising questions about the company's viability.

Elsewhere, our ACE market-listed associate Innity reported a MYR 1.1 million loss in 2023, compared to a slight loss of RM0.1 million 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 RM6.5 million into this equity portfolio, bringing our cost of investment in this portfolio to RM91.2 million as at the end of 2023. In the first quarter of 2024, we invested a further RM6.4 million, bringing the total portfolio to RM96.7 million at cost.

Our equity portfolio consists of 30 companies and 2 ETFs as at the end of Q1 2024. 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 31.1% of the portfolio. As at the end of Q1 2024, about 53.5% of this equity portfolio is invested in Chinese companies, and the rest in countries including Malaysia, Hong Kong, Australia and Singapore. A big part of our new investments last year were in Malaysian consumer/ industrial companies. Many of these companies should offer a solid base from which we could build up a long-term portfolio.

Since we started building this new equity portfolio up in 2020, we have only sold RM2.7 million worth of investments from it. By design, our portfolio turnover will be significantly lower than a more traditional fund management firm. As described in my letter to you in previous years: *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 2023, this equity portfolio generated RM3.8 million in dividend inflow to us before taxes, from RM4.4 million in 2022, mainly due to a one-off dividend payment from an earlier investment – Favelle Favco - in 2022. We hope that the dividends we receive will grow as we continue building up the portfolio and the underlying businesses continue their recovery/ growth. On a cost of RM91.2 million, the portfolio generated a dividend yield of 4.2% in 2022. While most of these businesses should still experience decent growth, I

LETTER FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

believe we have invested in them at prices low enough to offer good dividend yields even if the growth does not materialize 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 2023, we held around RM109.6 million in cash and cash equivalents, which is about 30.3% of our net book value, and is up from RM69.0 million a year ago. The percentage figure would be about 23.9% if we calculated it based on our Net Asset Value of RM457.9 million.

As shared last year, *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.* While we wait for the opportunities, we will continue to build up our database of good businesses and work on improving our investment operations to allow us to be more "nimble" when deploying our cash.

Our mini "Yangtze"

I recently watched an interview of Li Ka-Shing on *Bloomberg*, in which he explained why he named his company Cheung Kong (長江 in Cantonese). He said the Yangtze River can be as majestic as it is because it does not reject water flowing in from even the smallest streams – and the naming of his company reminds him to be "modest" in life so that he can attract other "streams" his way. This is invaluable advice for life and entrepreneurship, but I believe also insightful for our investment activities at JcbNext.

We have said that we want to build up a sustainable dividend inflow from our investments, which we could partially distribute on to JcbNext shareholders. Ideally, these dividend inflows can come from many good, long-term investments we own – rather than from just a handful of larger investments - so that the impact of any unexpected decline of individual companies in our portfolio can be mitigated. If a couple of our dividend "streams" dry up temporarily, we hope to still have many others that remain uninterrupted.

I should add here that trying to build up the many "streams" of dividends/ free cash flow will take time – years or even decades. For us, this will involve developing both the depth and width of our team's "circle of competence", building up our database of good, established businesses with strong economic moats - and then having both the patience and conviction to make the purchases at the right time/ prices. We invest for a share of the long-term free cash flow of other businesses, or a share of the dividends when that free cash flow gets distributed. Thus, it is critical that we are cautious with valuations and do not overpay.

There is no guarantee of success as we embark on this journey, but I believe the better our ability to deploy capital into long-term, cash-flow generating businesses, and the longer-term we view our investments - the higher the chances of us building up our own mini "Yangtze".

LETTER FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

At the office

It has been more than 1.5 years since our team fully returned to the office after Covid-19. I am grateful that the transition has been smooth. We started doing company visits and attending analyst briefings in person last year – always enjoyable, and often insightful, meetings that we took for granted before the pandemic.

Thank you

Lastly, allow me again to convey a special thanks to our long-term shareholders. My pledges from previous years still hold – 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

30th April 2024

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 operates the Autoworld automotive content website. JcbNext also has quoted investments in Malaysia, Hong Kong/China, Australia, Singapore and Europe and owns an 8-storey office building in Kuala Lumpur.

THE STATE OF THE GLOBAL ECONOMY IN 2023

More than three years after the global economy took an enormous blow from COVID-19, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia’s war in Ukraine, geopolitical tensions and increasing geoeconomic fragmentation. Others include the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier in 2023 and progress in reducing headline inflation, economic activity is still generally falling short of prepandemic projections, especially in emerging markets and developing economies.

The strongest recovery among major economies has been in the United States. The US economy defied expectations in 2023 and proved surprisingly resilient. Many forecasters predicted a recession which did not materialise. Instead, the US economy went on a tear and pulled far ahead of other advanced economies. US GDP expanded 2.5% (2022: 2.1%), driven by strong consumer spending, an increase in private manufacturing construction investment and increased state and local government purchases. Sound household balance sheets and a strong labour market are the primary key drivers of US consumer expenditures. Households received larger fiscal transfers early in the pandemic and were able to spend the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labour markets, all of which have supported real disposable incomes. 2023 was another strong year for jobs, labour supply and wage growth in the US. Payroll employment rose by 2.7 million in 2023, less than the increase of 4.8 million in 2022. Yearly job gains over the past three years reveal a steady downshift from the breakneck pace of job gains in 2021 to a more steady, stable pace in 2023. Wage growth overtook inflation in February 2023 and stayed that way for the rest of the year. Unemployment in the US was 3.6% in 2023, with December marking 23 months in a row that it has stayed below 4%, indicative of a persistently strong labour market.

A big theme for 2023 is the tightening of monetary policy by central banks around the world, notably among advanced economies, to combat inflation brought on by large fiscal stimulus during the pandemic, global supply chain disruptions which were exacerbated by Russia’s invasion of Ukraine, causing food and energy prices to soar and surge in demand of goods and services after restrictions have been lifted. The US Federal Reserve began raising interest rates in March 22 and by the end of 2023, it had raised interest rates 11 times for a total of 525 basis points, bringing rates to 5.25%-5.50%.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The US economy proved quite resilient despite the sharp rise in interest rates. The aggressive interest rate hikes seemed to have achieved their purpose without bringing the economy to a screeching halt or a spike in unemployment. US inflation moderated to 3.4% in December 2023 from its peak of 9.1% in June 2022. Still some ways to go before hitting its target of 2%, the battle against inflation is very much on the table.

The eurozone's economy stagnated in 2023, underperforming the rest of the world even as the global economy expanded and the US chalked up impressively brisk growth. The eurozone's underperformance was mostly due to weakness in Germany which has seen its business model of relying on cheap energy from Russia and intense two-way trade with China upended by geopolitical events. As has been the case for much of the world, the eurozone has felt the agony of sharply rising interest rates over the last 18 months, with the European Central Bank battling to bring down inflation from its October 2022 peak of 10.2% to 2.8% in January 2024. In contrast to the US, consumption in the eurozone is suffering much more from the high inflation spike because wage growth has been slow to adjust due to more negotiated wage-setting. That has resulted in a larger decline in real wages. And energy competitiveness has suffered from the energy crisis in the eurozone, resulting in a big difference in industrial performance. Furthermore, while eurozone budget deficits are still sizable, fiscal support is much smaller than in the US.

The United Kingdom slipped into a technical recession in the second half of 2023 following two consecutive quarters of contraction in GDP. For 2023, its GDP grew by a meagre 0.1%, its worst performance since 2009 after the global financial crisis if 2020 is excluded. The UK economy struggled to grow as households and businesses came under pressure from rising borrowing costs, higher taxes and elevated living expenses. The UK has one of the highest inflation rates among G7 countries. The Bank of England raised interest rates from December 2021 to August 2023 by a total of 515 basis points which succeeded in taming inflation to 4.0% in 2023 from its peak of 11.1% in October 2022 (a big part of that was also due to cooling energy prices). The high interest rate environment weighed in on economic growth but the Bank of England has indicated their commitment to keep rates high enough for long enough to bring inflation back to its 2% target.

China's economy grew by 5.2% in 2023, hitting the government's official target, but concerns about growth momentum remain amid a protracted property crisis, sluggish consumer and business confidence, and weak global growth. In 2022, China's economy grew by just 3% as a result of prolonged COVID-19 regulations linked to its zero-COVID policy. After an initial post-pandemic rebound, the economy has been weighed down by the continuing crisis in the property market where the authorities have been trying to rein in massive debts and speculation, as well as record youth unemployment and a global slowdown. Exports – historically a key growth lever – fell in 2023 for the first time since 2016. Geopolitical tensions with the US and efforts by some Western nations to reduce dependence on China or diversify their supply chains have also hit growth. Problems dogging the property market remain unresolved. The industry has long accounted for about a quarter of China's economy and experienced dazzling growth for two decades. But financial woes at major developers such as Evergrande and Country Garden have left projects unfinished, buyers out of pocket and prices on the decline. Also weighing on the economy is a lack of jobs for the country's young people. China also faces longer-term questions over its growth potential after it announced its population fell for a second consecutive year in 2023, amid a record low birth rate and a wave of COVID-19 deaths after zero-COVID policies were abruptly lifted.

Malaysia recorded GDP growth of 3.7% in 2023, supported by continued recovery in economic activity and labour market conditions. The moderation of growth from 8.7% registered in 2022 was due to the challenging external environment. Current account surplus in 2023 was sustained at 1.2% of GDP,

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

supported by a diversified export structure across markets and products. The strength in external position is also reflected in the external debt, which declined to 68.2% of GDP in 2023 and a higher net international investment position at 6.6% of GDP in 2023. Bank Negara Malaysia highlighted that importantly, the external debt remains manageable given the favourable maturity and currency profiles. It also said one-third of the external debt is denominated in ringgit, limiting currency risk, while around 70% of the debt has medium and longer-term tenures. Exports remained subdued due to prolonged weakness in external demand amid stronger imports. For 2023 as a whole, headline inflation declined to 2.5% from 3.3% in 2022, while core inflation averaged 3.0%. Bank Negara had raised the Overnight Policy Rate just once in 2023 by 25 basis points to 3%.

As 2023 came to a close, a heart-stopping rally in the last two months of the year showed global stock markets with strong annual gains due to investors betting on the fact that major central banks have finally stopped their monetary tightening policies and will indeed cut interest rates in 2024. The MSCI World Index has, since late October 2023, surged by 16%, and, with a flurry of late trading on the 29th of December, showed an annual gain of 22%. This was reflected in data showing that in Western economies inflation is falling faster than expected, which dramatically changed the perception of interest rate changes. Jerome Powell, Chairman of the Federal Reserve, fanned the flames of an equity rally in December by announcing that borrowing costs may have peaked.

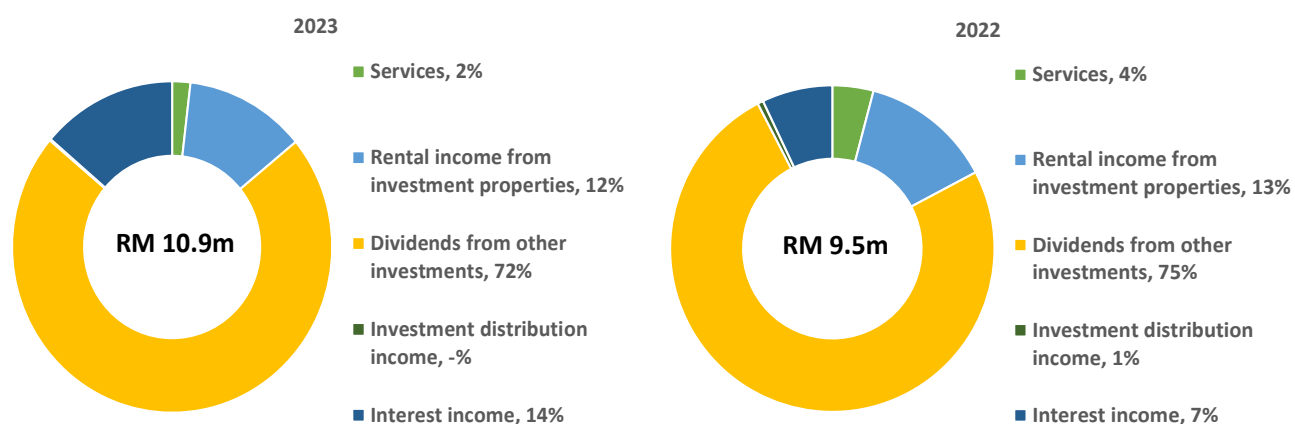
The rise in global equities as reflected in the MSCI World Index is the best run on an annual basis since 2019, when a similar run reflected a 25% gain. The S&P 500 finished the year up by 24% which was mainly due to a massive rally in megacap tech stocks. European markets, after a lacklustre 2022, posted positive gains in 2023 with Italy's FTSE MIB charting gains of 30% and Germany's DAX coming in with an impressive 20% increase. The overall increase for European equities was reflected on the STOXX 600 charting a gain of 13%. In the United Kingdom, the FTSE lagged behind their counterparts in the United States and Europe by posting a gain of 4% in 2023. Experts suggest that this is down to a stubborn inflation rate, energy companies that are oil-price exposed, and a preponderance of mining companies that are overexposed to and rely on a slowing Chinese economy. Elsewhere all three indexes in Japan posted hefty gains in 2023 with the Nikkei Stock average finishing the year up 28%, this being the best rally since 2013 which reflected a rise of 57%.

The big omission from the global rally in stock markets is China, where the world's second-largest economy has suffered from problems in its property sector. As a result, the expected recovery has faltered. Indeed, China's CSI 300, which measures the largest companies listed in Shenzhen and Shanghai, fell by 11.4%. Their flagship financial centre, Hong Kong, has suffered over the years and in 2023 stocks were particularly hard hit, with experts advising the Hang Seng index is the worst performer of 2023.

Bursa Malaysia ended 2023 on a low note, closing at 1,454.66 compared to 1,495.49 on the last trading day of 2022. It was a subdued year for the bourse, influenced by persistent selling pressure throughout the year, largely attributed to the outflow of funds resulting from multiple interest rate hikes in the United States. Sluggish economic conditions in China, a lack of substantial stimulus and the absence of major infrastructure projects also contributed to the lacklustre performance of the local index. Compared to the Asian region, the FBM KLCI is among the indices with negative readings, along with Singapore's Straits Times Index (-1.09 per cent), Philippine Stock Exchange Index (-0.72 per cent) and SET Thailand (-15.15 per cent).

2023 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 2023 and 2022 are as depicted below:-



As the Group is principally in investment holding, the biggest contributor to group revenue is dividends from equity investments at 72% of revenue or RM7.86 million in 2023. This is followed by rental income at 12% and together with dividend income, contribute 84% of group revenue. Services, interest income and investment distribution income combined to contribute the remaining 16% of group revenue. The decrease in the contribution of dividend income from 75% to 72% of group revenue in 2023 was mainly due to the increase in interest income generated on the Group’s cash in line with the increase in interest rates in 2023.

Total revenue had increased by 14.4% in 2023 primarily from an increase in dividend income from equity investments from RM7.16 million in 2022 to RM7.86 million in 2023 and an increase in interest income from RM0.67 million in 2022 to RM1.50 million in 2023. Dividend income from equity investments had increased by 9.80% year-on-year primarily due to an increase in total dividends received from Lion Rock Group Ltd (“Lion Rock”) in 2023 amounting to HKD0.13 per share as compared with HKD0.09 per share received in 2022. During 2023, the Group continued to receive dividends amounting to RM12.90 million from its associate, 104 Corporation, although such dividends are not accounted for as revenue.

Interest income had increased by 123.4% YoY from RM0.67 million in 2022 to RM1.50 million in 2023 driven in part by the increase in cash as the Group continued to dispose shares of 104 Corporation, lower level of acquisitions as well as the increase in interest rates that punctuated 2023. The decision by the US Federal Reserve to raise interest rates by a total of 100 basis points in 2023 benefitted the Group. The proceeds from the disposal of 104 Corp’s shares as well as dividends from investments abroad were deposited into foreign currency term deposits which enjoyed the higher interest rates.

Rental income from investment properties had increased slightly from RM1.25 million in 2022 to RM1.33 million in 2023. The total area leased to the tenant is approximately 23,700 square feet which is about 87% of the net lettable area in Wisma JcbNext. The Group retains approximately 13% of Wisma JcbNext for its own use. As reported in the Annual Report 2021, 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. Since then, the tenant has exercised several options to extend the tenancy, with the latest extension taking the tenancy to 31 August 2025. The Group’s other investment property, a

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

2-storey shoplot office in Johor, remained untenanted throughout 2023 and was eventually sold in 2024 for RM800,000.

The Group derives an insignificant level of revenue from the provision of services predominantly through its subsidiary in Japan which provides consulting services on a small scale. The Group's 60% stake in this subsidiary was sold in June 2023 for JPY0.88 million (approximately RM28,000). The Group did not invest to expand the Autoworld automotive content website in 2023 but continued to update the website.

The Group's operating expenses in 2023 amounted to RM4.65 million, a decrease of 11.1% compared with the previous year's operating expenses of RM5.23 million. The reduction in operating expenses was mainly in staff costs and the direct cost of sales for the operations in Japan. As shown in the table below, other operating expenses in 2023 amounted to RM2.24 million, which is relatively flat compared with the previous year.

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

Group	2023	2022
	RM	RM
Foreign exchange losses	-	81,402
Professional fees	860,556	866,435
Directors' fees	356,730	343,738
Office expenses	181,526	210,572
Security costs	173,806	157,995
Utilities	307,474	288,147
Staff benefits	122,173	92,651
Quit rent and assessments	66,733	63,525
Travelling	21,838	6,046
Telecommunication	18,036	21,331
Insurance	44,420	42,921
Miscellaneous	89,335	118,527
	<u>2,242,627</u>	<u>2,293,290</u>

The Group continued to rely a great deal on our associates, primarily 104 Corporation, to contribute to the Group's earnings in 2023. 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 has been listed on the Taiwan Stock Exchange since 2006. Taiwan's GDP grew by 1.4% in 2023, its slowest pace in 14 years, down from 2.59% growth in 2022 due to soft global demand and weak domestic capital investment. Taiwan's economy relies a lot on trade given its geographical limitations and the global demand for its exports like semiconductors and electronics. Trade has also been one of the largest contributors to Taiwan's economic growth in the last five years. The value of imports and exports combined has increased over 19% from 2019 to 2023. The height of the pandemic (2021-2022) saw a significant expansion of trade with some of its largest trading partners, in particular. Total trade between Taiwan and the US increased 31% between 2020 and 2022. During that same time, total trade increased 19% with China, 24% with Hong Kong, 21% with Japan and 34% with ASEAN. Before the pandemic, Taiwan's annual growth in trade was negligible. And in 2023, total trade started to come back down to pre-pandemic levels. Taiwan's central bank bucked the broader global trend by raising interest rates in March 2024, after

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

seeing its consumer price index hit 3.08% in February, a 19-month high and ahead of an expected rise in electricity rates in April.

Under the aforementioned circumstances, 104 Corporation's revenue in 2023 had increased marginally by 6.9% to NT\$2.33 billion compared with NT\$2.18 billion in 2022 with the growth attributed to its Job Bank business. Its profit before taxation increased by 5.0% YoY to NT\$549.96 million compared with NT\$523.74 million in 2022 while the net profit attributable to shareholders increased 1.4% YoY to NT\$451.56 million compared with NT\$445.26 million in the preceding year. The balance sheet of 104 Corporation remains solid with cash holdings of NT\$2.90 billion at the end of 2023. 104 Corporation has recently announced a dividend of NT\$13.61 per ordinary share representing 100% of their net profit attributable to shareholders for the 2023 financial year, which will be paid out later this year. During the year, the Group had continued to dispose a 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 RM18.47 million. It is important to reiterate that the reduction of our stake in 104 Corporation is primarily motivated by risk management 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 onward to our shareholders. As at 31 December 2023, the Group has an equity interest of 18.65% in 104 Corporation, down from 21.74% a year ago. In line with the reduction of the Group's equity interest in the company, our share of profit from 104 Corporation in 2023 amounted to RM13.67 million, down 6.8% from RM14.67 million in 2022. As mentioned earlier, the Group received dividend amounting to RM12.90 million from 104 Corporation in 2023, up 6.2% compared with RM12.15 million received in 2022, despite the lower shareholding.

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 has been 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.

Innity faced a volatile and uncertain business landscape in 2023. South East Asia's digital advertising spending has shown a rebound in the second half of 2023 after falling to lower levels in the first half of the year. Innity's revenue declined by 4.4% to RM114.01 million in FY2023 compared with RM119.22 million in FY2022. Its Malaysia and Philippines business units registered a higher revenue by 10% and 11% respectively in FY2023 whereas lower revenue was recorded in Singapore, Vietnam, Hong Kong and China, Indonesia, Taiwan, Cambodia and Myanmar business units as compared to the preceding year. Its Malaysia business unit remained as the top revenue contributor in FY2023 followed by Hong Kong and Philippines business units. Malaysia, Philippines and Hong Kong/China business units contributed a

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

combined revenue of RM86.44 million revenue, representing 75.8% of total group revenue. The group's gross profit increased 5.1% YoY to RM52.72 million, reflecting a higher gross profit margin of 46% compared to 42% last year. The marginal increase in gross profit margin was mainly due to the reversal in provision of platform fees arising from the discontinued Visa card-linked program in the Malaysia business unit and reversal in the provision of customers' rebates that were no longer required in Malaysia and Singapore business units. The group incurred a loss attributable to shareholders of RM1.10 million in FY2023 as compared to a loss of RM0.08 million in FY2022. Despite a higher gross profit recorded in FY2023, rising staff costs, higher depreciation expenses attributed to the depreciation of the right-of-use asset in accordance with the new lease term and share of losses incurred from associate company were the factors that resulted in the higher loss. Our share of loss from Innity in 2023 had increased to a loss of approximately RM231,000 compared with a loss of approximately RM17,000 a year ago. As at 31 December 2023, the Group has an equity interest of 20.98% in Innity.

Overall, the Group's net profit attributable to shareholders for 2023 surged 50.6% YoY to RM35.49 million from RM23.57 million in 2022. As explained earlier, firstly, this was due to higher revenue in the form of higher dividend and interest income and secondly, lower operating expenses which had decreased by 11.1% YoY. Next, we have the significant increase in the gain on disposal of shares of 104 Corp from RM5.03 million in 2022 to RM18.47 million in 2023 owing to the significantly higher quantity of shares sold in 2023 and at higher prices too relative to 2022. Gains on financial assets classified as fair value through profit and loss are mainly in respect of the Group's investment in money market funds ("MMF") and the increase from RM0.46 million in 2022 to RM1.47 million in 2023 was mainly due to the reallocation of funds from Ringgit denominated term deposit to MMF in Malaysia. In addition, there was an RM0.41 million increase in the fair value of investment properties which was attributable to the Group's shoplot in Johor. Share of profits from associates, however, recorded a 6.8% decrease YoY to RM13.67 million in 2023 compared with RM14.67 million in the preceding year which was mainly due to the decrease in equity interest of 104 Corporation following the continued disposals of shares in that associate. Although earnings per share amounted to approximately 26.88 sen per share (2022: 17.85 sen), the Company will continue to pay dividends based on its free cash flow ("FCF"). The Group's FCF for 2023 amounted to RM17.05 million, up 16.9% from RM14.58 million in the preceding year. The increase in FCF was attributed to higher dividend received from 104 Corporation and other equity investments as well as the increase in interest income. To this end, the Board has recommended the payment of a final dividend of 6.5 sen per ordinary share to be paid after the forthcoming AGM.

The Group's net assets attributable to shareholders grew by 5.0% YoY to RM362.15 million as at 31 December 2023 compared with RM348.80 million at the end of the previous year. On a per share basis, this translates to RM2.74 per share with the Company's shares quoted at a price of RM1.59 as at 31 December 2023.

OVERVIEW OF ASSETS UNDER MANAGEMENT

The Group's assets under management comprise of:

Group	2023 RM'000	2022 RM'000
Investment properties	18,800	18,388
Investments in associates [^] (at market value)		
- 104 Corporation	195,954	211,216
- Innity	14,040	12,139
	<u>209,994</u>	<u>223,355</u>
Financial assets at fair value through other comprehensive income		
- Lion Rock	35,035	28,182
- Other investments	93,679	108,945
	<u>128,714</u>	<u>137,127</u>
Financial assets at fair value through profit or loss		
- Money market unit trust funds	34,621	22,385
- Other investments	881	-
	<u>35,502</u>	<u>22,385</u>
Cash reserves		
- USD	28,591	6,350
- HKD	11,186	4,357
- SGD	31,660	9,098
- RM	2,280	26,464
- Others	351	342
	<u>74,068</u>	<u>46,611</u>
	<u>467,078</u>	<u>447,866</u>

[^] In the audited financial statements, investments in associates are accounted for using the equity method pursuant to MFRS 128, *Investments in Associates and Joint Ventures*

The Group's assets under management, which comprise investment properties, equity investments, associates at market value and cash and cash equivalents, grew 4.3% to RM467.08 million as at 31 December 2023 compared with RM447.87 million in the previous year. The increase in 2023 was mainly attributable to the increase in the market value of 104 Corporation shares which rose from NT\$205 per share at the end of 2022 to NT\$212 per share at the end of 2023.

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 9.1% to RM114.23 million in 2023 from RM125.71 million a year ago. Against the Taiwan dollar, the Ringgit had weakened from NT\$1:RM0.1428 as at end 2022 to NT\$1:RM0.1493 and this contributed to an increase

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

of RM4.76 million in the carrying value of 104 Corporation on our balance sheet. Disposals of 104 Corporation shares during the year also contributed to a decrease of RM16.90 million in the carrying value of 104 Corporation. In addition, while the share of profit from 104 Corporation for 2023 amounted to RM13.67 million, the dividend received from 104 Corporation during 2023 based on its 2022 net profit amounted to RM12.90 million. As mentioned in previous years' Annual Reports, while the dividend from 104 Corporation being an associate does not benefit the Group's bottom line, the dividend provides liquidity for the Group to fund its working capital requirements and dividend payment to shareholders. The dividend from 104 Corporation alone account for 62% of total dividends received by the Group in 2023.

The largest investment under the FVOCI category is Lion Rock with a carrying value of RM35.04 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 in 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 2023, the Group held an equity interest of approximately 7.0% in Lion Rock. For the financial year ended 31 December 2023, the dividend yield on Lion Rock was 10.0% (2022: 10.9%). During the year, the Group received RM4.06 million in cash dividends from Lion Rock, up 49.6% from the RM2.72 million dividends received in 2022. On 27 March 2024, Lion Rock announced a final dividend of HK\$0.08 per share to be paid on 6 June 2024 after the conclusion of its upcoming AGM. The fair value of the Group's investment in Lion Rock had increased by 24.3% in 2023 in line with the appreciation of its share price from HKD0.92 at the end of 2022 to HKD1.10 at the end of 2023.

Based on the disclosures in Lion Rock's Annual Report 2023, Lion Rock said the global book market encountered considerable headwinds in 2023, with varying performance across different market segments. The US market, which is the largest book market in the world, saw a slight year-on-year decline in unit sales of printed books. The UK and Australian book markets also experienced a downturn in unit sales of printed books due to readers returning to their normal consumption habits after the surge in demand triggered by the pandemic. In the wake of COVID-19, Lion Rock's publishing clients struggled with inventory management issues throughout 2023 due to the substantial inventory buildup in 2022 as a result of global supply chain disruptions. Consequently, these clients adopted a more cautious approach to placing print orders. The Chinese book market experienced a 5% increase in unit sales of printed books in 2023 but on the back of a 7% decline in value as publishers and booksellers resorted to aggressive discounting tactics to clear the inventory that had accumulated during the COVID-19 lockdown period. Given the difficult local market conditions in China, Lion Rock noticed a rise in competition from Chinese printers for overseas book printing orders. This overcapacity has exerted downward pressure on printing margins for the industry. While the Red Sea crisis and conflict in the Middle East may result in freight costs going up, Lion Rock opines that the biggest uncertainty faced by Chinese printers is geopolitical risk specifically the movement by the West to reduce reliance on China and to diversify sources of supply. There is a significant risk that politicians in the West may exert more pressure on investors and corporates to comply with such 'de-risking' policies and impose further tariffs on goods imported from China and other regions. Lion Rock aims to mitigate this risk with its investment in its plant in Malaysia. Despite the headwinds of a volatile and complex macroeconomic environment in 2023 characterised by geopolitical tensions, inflationary pressures, rising interest rates and a sluggish global book market, Lion Rock managed to achieve a 2.7% increase in revenue to HK\$2,562.78 million from HK\$2,496.09 million in the

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

previous year. The increase was attributed to the increase in book publishing revenue as a result of the inclusion of the full-year results of the Quarto Group, Inc in 2023 compared with nine months' results in 2022. Profit attributable to shareholders amounted to approximately HK\$185.25 million, down 15.8% from the previous year. This decrease was largely attributable to the HK\$31.3 million one-time gain in 2022 from derecognising Quarto as an associate.

2023 was a relatively quiet year for the Group as far as investments go. During the year, the Group had invested an additional RM6.48 million (2022: RM33.60 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 Technology Metals Limited ("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 2023, the top 5 holdings made up 39% of the Equity Portfolio while another 28 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 acquire other target stocks on our buy list. The Equity Portfolio generated approximately RM3.80 million in dividends for the Group in 2023 (2022: RM4.45 million). As at 31 December 2023, the fair value of the Equity Portfolio amounted to RM86.34 million, up 1.3% from RM85.20 million a year ago. 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 [^]	61,062,842	101,065,118	195,954,043
Innity [^]	8,487,984	13,162,221	14,040,019
Lion Rock	17,799,453	35,035,375	35,035,375
Other equity investments	113,770,517	94,560,504	94,560,504
	<u>201,120,796</u>	<u>243,823,218</u>	<u>339,589,941</u>

[^] 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 all of the Group's equity investments combined including its listed associates as at 31 December 2023 was significantly above total cost owing to the large unrealised gains on 104 Corporation, Lion Rock and to a lesser degree, Innity (please be reminded that the unrealised gains on 104 Corporation and Innity, as associates, have not been recognised in the financial statements at all). The fair value of other equity investments remained below cost at the end of 2023 mainly due to the investment in Hastings and the underperformance of Chinese stocks in general. The fair value of the Group's investment in Hastings had decreased by 78% during the year as its share price plummeted from AUD3.52 at the end of 2022 to AUD0.74 at the end of 2023. Some of the factors that had affected Hastings' valuation include the fall in Neodymium and Praseodymium (NdPr) prices, escalation of project capital cost and general uncertainty over the expected commencement of production. As mentioned earlier, Chinese stocks and the Hong Kong stock market did not fare well in 2023 due to sluggish post-Covid recovery, property sector woes and fears of regulatory crackdowns while the US Fed kept raising interest

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

rates. These had negatively impacted the Group's investments in Chinese stocks which were acquired from late 2020 onwards.

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 cash is placed in current accounts and money market unit trust funds while its USD, SGD and HKD cash are mostly placed in interest-bearing bank deposits. 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 that 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

Four months into 2024, the world is fraught with geopolitical tensions including the war in Ukraine and conflict in the Middle East. Besides wars and conflicts, the year 2024 stands as a monumental period in the history of global democracy, with over 70 countries scheduled to hold elections and close to 2 billion people poised to cast their votes. However, this democratic spectacle is shadowed by concerns that many of these elections may not herald the strengthening of democratic ideals. Instead, there is apprehension that they could further entrench illiberal rulers, reward the corrupt and exacerbate political polarisation. The 2024 elections are set to have profound economic implications, with the potential to significantly alter the global economic landscape. Goldman Sachs Asset Management highlights that elections in key economies such as the US, UK, South Africa, India, Taiwan and Russia could diverge the global economy from its current trajectory. The world, already grappling with the aftermath of pandemics, wars and economic shocks, faces another layer of complexity as these electoral outcomes may lead to shifts in power balances, major policy changes and increased geopolitical friction. Such developments could exacerbate trade conflicts and political fragmentation, further destabilising an already precarious world economic order and challenging investors to navigate a labyrinth of uncertainty.

March 2024 inflation data in the US showed a jump from February, dampening expectations of an interest rate cut and raising concerns that inflation could be stubbornly high. The US consumer price index rose to 3.5% from February's 3.2%, still well above the Fed's target of 2%, reinforcing the narrative that interest rates will stay higher for longer. Meanwhile, China published positive economic data for March and the first quarter of 2024 which showed the second-largest economy in the world growing 5.3% in Q1, higher than market consensus. Fixed asset investment was key to Q1's GDP outperformance, while last year's main growth driver of consumption has moderated. Net exports remained weak and have not been a major contributor to growth. China's property market has yet to confirm the bottom and continues to drag growth. Average new and secondary home prices continued to fall month-on-month in March. Real estate investment slowed further by -9.5% YoY in Q1.

The International Monetary Fund ("IMF") stated in its *World Economic Outlook April 2024* that global growth for 2024 is projected at 3.2%, which is the same rate as 2023. The pace of expansion is low by historical standards, owing to both near-term factors, such as still high borrowing costs and withdrawal of fiscal

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine, weak growth in productivity, and increasing geoeconomic fragmentation. Among advanced economies, the US is set to lead the way with a growth of 2.7% in 2024 while the euro area and the UK are set to grow by 0.8% and 0.5% respectively. In emerging markets and developing economies, growth is expected to be stable at 4.2% in 2024 with growth in emerging and developing Asia expected to fall from 5.6% in 2023 to 5.2% in 2024. Growth in China is projected to slow from 5.2% in 2023 to 4.6% in 2024 as a postpandemic boost to consumption and fiscal stimulus ease and weakness in the property sector persists. The IMF projected Malaysia's economy to grow by 4.4% in 2024.

Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The expected fall in global inflation in 2024 reflects a broad-based decline in core inflation especially among advanced economies. The drivers for declining core inflation include the effects of still-tight monetary policies, a related softening in labour markets, and fading pass-through effects from earlier declines in relative prices, notably that in energy.

So, are interest rates coming down in 2024? Quoting IMF Managing Director Kristalina Georgieva, "Making the right policy decisions will define the future of the world economy", the decision to cut rates is one that each country will have to make after careful consideration of their economies. It is not an easy decision as Kristalina puts it succinctly "The sobering reality is that global economic activity is weak by historical standards. Prospects for growth have been slowing since the global financial crisis. Inflation is not fully defeated. Fiscal buffers have been depleted. And debt is up, posing a major challenge to public finances in many countries."

The IMF listed several risk factors for an uncertain 2024. The conflict in Gaza could escalate further into the wider region. Continued attacks in the Red Sea and the ongoing war in Ukraine risk generating additional supply shocks adverse to the global recovery, with spikes in food, energy and transportation costs. Such geopolitical shocks could complicate the ongoing disinflation process and delay central bank policy easing, with negative effects on global economic growth. In addition, a slower than expected decline in core inflation in major economies as a result of persistent labour market tightness or renewed tensions in supply chains could trigger a rise in interest rate expectations and a fall in asset prices. Furthermore, the risk that the cooling effects of past monetary tightening are yet to come is plausible, especially where fixed-rate mortgages are resetting and household debt is high. Such developments could increase defaults and raise risks to financial stability. And in China, in the absence of a comprehensive restructuring package for the troubled property sector, a larger and more prolonged drop in real estate investment could occur, accompanied by expectations of future house prices declining, reduced housing demand, and a further weakening in household confidence and spending, with implications for global growth. Other adverse risks include excessive fiscal consolidation that is more than necessary to curb debt-to-GDP ratios and rebuild capacity for weathering future shocks, such as a sharp shift to tax hikes and spending cuts, could result in slower-than-expected growth. Lastly, the separation of the world economy into blocs amid Russia's war in Ukraine and other geopolitical tensions could accelerate. Such intensification of geoeconomic fragmentation could generate more restrictions on trade and cross-border movements of capital, technology and workers and could hamper international cooperation.

Due to the many uncertainties and risk factors as described above, 2024 could yet again be another unpredictable 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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

generate dividend income at targeted yields which in return can be paid onward 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 RM49.42 million in 2021, RM33.60 million in 2022 and RM6.48m in 2023. Rising inflation that followed the pandemic and the hawkish stand taken by advanced economies exacerbated by weak growth in China and geopolitical tensions have pummelled stock markets in our region where most of our investments are based. During these times, there will be some paper losses on our investments. We will continue to monitor the underlying fundamentals of our investments and make the appropriate investment decisions as necessary. The Group is also ready to seize the opportunity to make further investments if valuations of target stocks become attractive.

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 (3) key principles of the MCCG during the financial year ended 31 December 2023:

- 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 is prepared in compliance with Paragraph 15.25(1) of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”) with guidance from Practice Note 9 of the MMLR. 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 2023 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 2023 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 2023. 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 the 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”), Independent Director, Senior Independent Director 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 with 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 Companies Act 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

- (v) Remuneration of Non-Executive Directors - determining the remuneration of non-executive Directors, with the individuals concerned abstaining from discussions of their remuneration;
- (vi) Code of conduct - to formalise the ethical standards through a code of conduct that will be applicable throughout the Group and ensure compliance with this code of conduct;
- (vii) Succession planning - to ensure that Management has the necessary skills and experience and that 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 their implementation by Management;
- (ix) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and/or in a timely manner so that the Board has reasonable grounds to make a proper judgment 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 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 that require shareholders' approval;
- (vii) Financing and borrowing activities;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

- (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 in 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 regard 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 to ensure the continuous relevance to MCCG and Bursa Malaysia Listing Requirements. The Board Charter 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 55 to 57 of this Annual Report), the Remuneration Committee and the Investment Committee.

Chairman and CEO

The Chairman and CEO roles are undertaken by separate persons to ensure that there is a balance of power and authority, as set out in the Board Charter. The Chairman role is helmed by Datuk Ali bin Abdul Kadir ("Datuk Ali"), 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 instilling good corporate governance practices, leadership and effectiveness of the Board. 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 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 beliefs and values. It also includes guidance on relationships with shareholders, employees, creditors and customers and the standard of conduct with regard 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. This policy aims 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 Company has established a Sustainability Working Group, headed by the Sustainability Officer appointed by the Board to plan and implement sustainability initiatives. The Board is supported by the Audit and Risk Committee, which is responsible for monitoring the progress of the implementation of sustainability initiatives based on the directions set by the Board.

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 Report on pages 43 to 54 of the Annual Report.

Access to Information and Advice

Directors receive a set of Board papers within a reasonable period before 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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 to 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 in advising the Board, when appropriate.

Board Composition

The Board consists of five (5) members, comprising one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director, two (2) Independent Non-Executive Directors and one (1) Executive Director. Thus, the Board's composition complies with the Bursa Malaysia Listing Requirements that require 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 companies, there must be a majority of Independent Directors. The Board takes cognizance of the recommendation of the MCCG and will endeavour to adopt this corporate governance best practice in time to come. None of the Directors hold more than five (5) directorships in listed issuers 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.

Where areas of conflict of interest ("COI") and potential COI arise, the Directors concerned will have to declare his/her interest and abstain from participating in the decision-making process.

Nomination Committee

The Nomination Committee comprised of the following members:

- Chairman : Teo Koon Hong (*Senior Independent Non-Executive Director*)
Members : Lim Chao Li (*Non-Independent Non-Executive Director*)
 Tan Beng Ling (*Independent Non-Executive Director*)(*Appointed on 20 June 2023*)
 Cindy Eunbyol Ko (*Independent Non-Executive Director*)(*Cessation of Office on 20 June 2023*)

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 Director and Non-Executive Directors. The terms of reference of the Nomination Committee is available on the Group's website at www.jcbnext.com.

In compliance with the Bursa Malaysia Listing Requirements, the Board has adopted a Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered to 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 Board takes cognisance of Practice 5.3 of the MCCG which prescribes that the tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. The Board is of the view that the independence of an Independent Director should not be measured solely by tenure. The Board will seek shareholders' approval through a two-tier voting process to retain the Independent Director who has served more than nine (9) years in the office.

The Nomination Committee is also responsible for conducting 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 Twentieth AGM ("20th AGM"):-

- (a) Mr Teo Koon Hong – Clause 96; and
- (b) Mr Lim Chao Li – Clause 96

All the aforesaid Directors have expressed their intention to seek re-election at the forthcoming 20th AGM.

During the financial year under review, one (1) meeting was 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 2023;
- (ii) Reviewed, considered and assessed the performance, and made recommendations to the Board for its approval, regarding the Directors who are seeking re-election at the forthcoming AGM pursuant to the 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

- (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 Dr. Wong Siew Hui as Executive Director of the Company; and
- (vii) Reviewed the proposed appointment of Ms. Tan Beng Ling as a member of the Nomination and Remuneration Committees.

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 the year 2023.

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 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 for the financial year ended 31 December 2023 carried out on 23 February 2024, 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.

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 requirement under Practice 5.9 of the MCCG to have at least 30% of women Directors on the Board so that to have diverse perspectives and insights in making Board decisions. Currently, the percentage of female directors on the Board is 20%. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The Nomination Committee is also responsible for assessing on an annual basis, the effectiveness of the Board, its Committees and the contributions of each 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 that contribute to the effectiveness of the Board. The independence of Independent Directors was 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 its functions are properly documented.

The annual assessment of the Board for the financial year ended 31 December 2023 was conducted on 23 February 2024. 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.

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 2024 for the financial year ended 31 December 2023, 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 2023 and the summary of attendance at the Board Meetings held is as follows:

Directors	Number of Board Meetings	
	Held	Attended
Datuk Ali bin Abdul Kadir (Chairman)	4	4
Teo Koon Hong	4	4
Lim Chao Li	4	4
Tan Beng Ling	4	4
Dr. Wong Siew Hui (<i>appointed on 24 February 2023</i>)	3	3
Cindy Eunbyol Ko (<i>retired on 20 June 2023</i>)	2	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) Part I 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. Dialogue with Minister of Natural Resources, Environment and Climate Change by UNDP/ UNICEF/ Amanah Lestari Alam
2. Suara Alam Conference 2023 – Bridging the Voices of Our Children, Youth and Indigenous People by Amanah Lestari Alam
3. Developing Financing, the Next 50 Years by Bank Pembangunan Malaysia Berhad
4. 28th Session of the Conference of the Parties (COP28) to the UN Framework Convention on Climate Change (UNFCCC) by Amanah Lestari Alam and Ministry of Natural Resources, Environment and Climate Change
5. Mid-Year Outlook by Bank of Singapore
6. Investment Conference by DBS Bank
7. Citi Pan-Asia Regional Investor Conference 2023 by CapitalLand Investment Limited
8. Global-Asia Family Office Summit 2023 by Wealth Management Institute
9. Citi Family Office Webinar
10. Silicon Valley Generative AI, Growing Synergy with Singapore by Amino Capital
11. Citi Family Office Executive Forum
12. Board Training on Closed Period and Insider Dealing by JcbNext Berhad
13. Mechanisms and Implications of Capital Gains Tax in Malaysia by BDO Tax
14. Public Bank In-House Training: Talk on Contextualising Net Zero by PwC Malaysia
15. ESG Outlook 2023: Building a Net Zero, Nature-Positive and Equitable World by PwC Malaysia
16. Wharton Global Forum 2023 by Wharton School of Business
17. Public Bank In-House Training: Talk on Global Economic Outlook 2023 by Insead
18. Executive Presence and Influence by Wharton Online
19. Wharton ESG Executive Certificate for Senior Leaders by Wharton Online
20. Public Bank In-House Training: Talk on The Generational Differences Divides Bridging Collaboration by Wholistic Coachsulting Ltd
21. Mandatory Accreditation Programme (MAP) Part II - Leading for Impact by Institute of Corporate Directors Malaysia
22. Public Bank In-House Training: Talk on The New Cyber Threat Landscape by Professor Öykü Isik of IMD
23. Public Bank In-House Training: Talk on Evolving Challenges and Expectations in Regulatory Compliance by Dr. Vijayaraj R Kanniah
24. Sustainability Series: (Re)Building the Board for Innovation by Institute of Corporate Directors Malaysia
25. Board Training on Anti-Bribery and Anti-Corruption Training by Beshom Holdings Berhad
26. The Cooler Earth Sustainability Summit by CIMB
27. Mandatory Accreditation Programme by Institute of Corporate Directors Malaysia
28. Management of Cyber Risk by Bursa Malaysia

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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.

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 (*Senior Independent Non-Executive Director*)
Tan Beng Ling (*Independent Non-Executive Director*)(*Appointed on 20 June 2023*)
Cindy Eunbyol Ko (*Independent Non-Executive Director*)(*Cessation of Office on 20 June 2023*)

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.

The Executive Director did not participate in any way in determining his individual remuneration. The Executive Director's remuneration is linked to his 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 2023 are set out below:

	Fees RM	Salary and EPF 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 (<i>retired on 20 June 2023</i>)	33,178	-	5,500	38,678
Tan Beng Ling	69,052	-	7,500	76,552
Executive Director				
Dr. Wong Siew Hui (<i>appointed on 24 February 2023</i>)	-	62,553*	-	62,553
Total	323,230	62,553	33,500	419,283

* Dr. Wong Siew Hui's remuneration as Executive Director comprised his salary and EPF with effect from the date of appointment, i.e. 24 February 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The details of the remuneration of Senior Management (comprising salary, bonus and other emoluments) for the financial year ended 31 December 2023 in bands of RM50,000 are set out below:

	Designation	RM
Liong Wei Li	Chief Executive Officer	450,001-500,000
Gregory Charles Poarch	Chief Financial Officer	150,001-200,000
Dr. Wong Siew Hui	Chief Technology Officer	100,001-150,000

Note:

The Group has only 12 employees as at 31 December 2023. Dr. Wong Siew Hui and Mr. Gregory Charles Poarch together with Mr. Liong Wei Li, form the senior management team.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Committee

The Board has established an effective and independent Audit and Risk Committee which comprises of two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director to assist in overseeing the Group's financial reporting process. The Chairman of the Audit and Risk Committee is not the Chairman of the Board to avoid the impairment of objectivity in the Board's review of the Audit and Risk Committee's findings and recommendations. Collectively, the Audit and Risk Committee possesses vast experience and the necessary skills to enable it to discharge its duties effectively. In particular, every member of the Audit and Risk Committee are accountant by profession and is currently or has 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, the 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. The summary of attendance of Audit and Risk Committee members during the year 2023 is set out on page 55 of this Annual Report. A summary of the activities of the Audit and Risk Committee during the year 2023 is set out on pages 56 to 57 of this Annual Report.

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 for ensuring 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 119 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 61 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 2023 and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity. Please refer to page 60 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 2023.

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 meeting held on 24 April 2024, the Audit and Risk Committee assessed the suitability and independence of the External Auditors and recommended to the Board to propose to shareholders at the forthcoming 20th 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 accountability. 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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 58 to 59 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 its responsibility to maintain a system of internal control and risk management. The Board seeks regular assurance of 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 are conducted in accordance with 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 57 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 instill investor confidence in the Group by practicing 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 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 and 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 AGM is a principal forum for two-way communication between the shareholders and the Management of the Group. Shareholders are provided with an opportunity to participate in the question-and-answer session in which they may raise questions about the Group's businesses and affairs.

Although the Company does not have a large number of shareholders, the use of technology to facilitate remote shareholders' participation including voting in absentia has been adopted in the last four (4) 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

In line with the recommendation of MCCG, the Notice of the forthcoming 20th 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 2024. 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/Senior Management 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 20th 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 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.

This Statement is made in accordance with a resolution of the Board dated 26 April 2024.

SUSTAINABILITY REPORT

About This Report

This report provides an overview of JcbNext's sustainability initiatives and endeavours, taking into account the consideration and interest of key stakeholders of the Group. The report addresses our sustainability initiatives and performance during the financial year 2023. We are dedicated to ensuring the sustainable economic development of the organization and creating long-term value for our shareholders while contributing positively to the well-being of our employees, society and the planet.

Scope and Basis of Scope

The scope of this report covers sustainability-related performances, achievements, and various initiatives of JcbNext in the past financial year 2023. It deals with the operations and activities of JcbNext as an investment holding company and its subsidiaries in Malaysia and Singapore. It excludes other subsidiaries that are inactive or have been disposed of (Greenfield Japan Kabushiki Kaisha). JcbNext's commitment to sustainability extends to our operations, and as an investment holding company, we are committed to including environmental, social, and governance ("ESG") considerations in our investment decisions.

Reporting Frameworks and Standards

This Report has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).

Assurance Statement

This Report has not been subjected to an assurance process.

Feedback

We welcome and encourage our stakeholders to provide feedback on this Report and the issues covered therein, to ir@jcbnext.com

About JcbNext

Please refer to other sections in this Annual Report for information about JcbNext's organization, business operations and financial performance.

Our Approach to Sustainability

Sustainability Governance

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 to embedding sustainability into the Group's business strategy and operations. The Board is supported by the Audit and Risk Committee ("ARC"), which is responsible for monitoring the progress of the implementation of sustainability initiatives based on the directions set by the Board.

At the management level, a Sustainability Working Group, headed by the Sustainability Officer appointed by the Board, plans and implements the sustainability initiatives, and ensures overall compliance. The Sustainability Working Group consists of members across the different functional departments of JcbNext. The Sustainability Working Group reports to the ARC quarterly on the progress and results of its initiatives.

Stakeholder Engagement

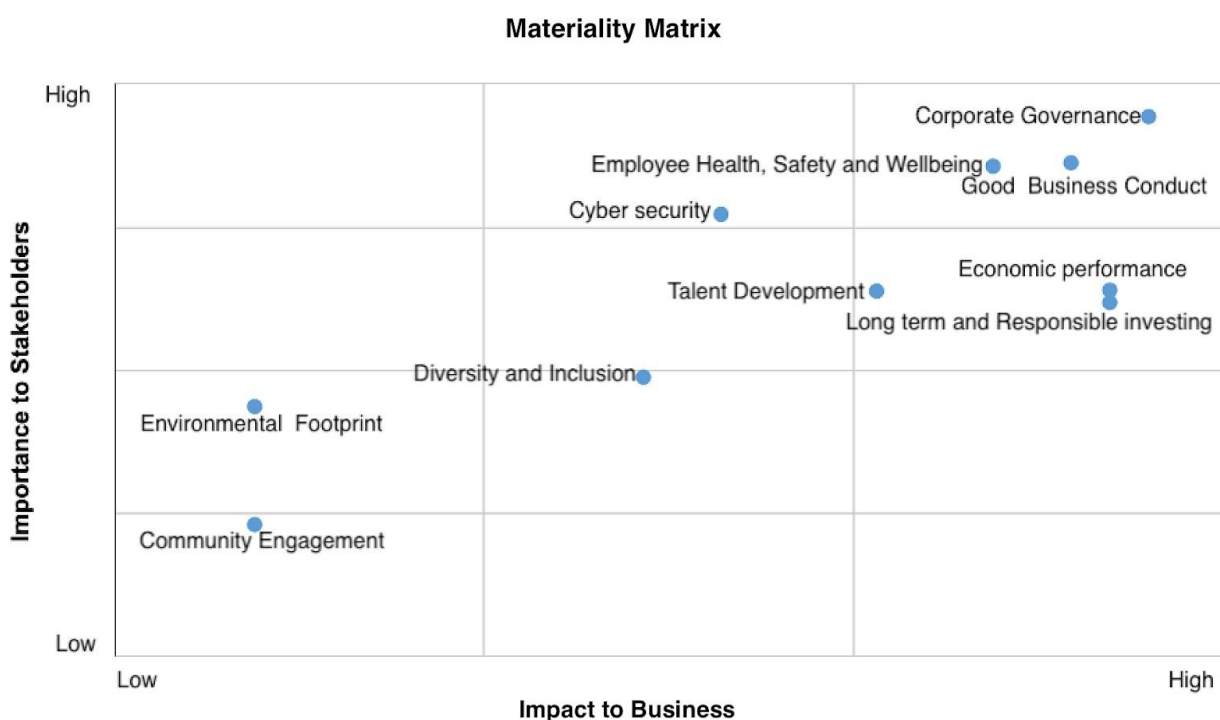
Key Stakeholders	Areas	Engagement Mode
Shareholders	<ul style="list-style-type: none"> Financial and operational performance Corporate governance and ethical management Company strategy 	<ul style="list-style-type: none"> Investor Relations section on Company website when needed Quarterly Financial reports and announcements Annual General Meeting and Annual Report
Board of Directors	<ul style="list-style-type: none"> Investment strategy and operational performance Corporate governance and risk management Succession planning 	<ul style="list-style-type: none"> Quarterly BOD, ARC and Investment Committee meetings Adhoc meetings as needed Emails and messaging for informal communications
Employees	<ul style="list-style-type: none"> Career Development 	<ul style="list-style-type: none"> Internal and external training
	<ul style="list-style-type: none"> Health and wellbeing Performance management Workplace culture and practices 	<ul style="list-style-type: none"> Regular meetings Email and messaging Regular company lunches Annual Performance review E-surveys when needed
Tenants	<ul style="list-style-type: none"> Building operations and maintenance Sustainability initiatives 	<ul style="list-style-type: none"> Email and messaging/calls Meetings Posters
Government/ Regulators	<ul style="list-style-type: none"> Compliance with laws & regulations 	<ul style="list-style-type: none"> Email and messaging/calls Audits Regulatory compliance training programmes
Suppliers	<ul style="list-style-type: none"> Supplier performance and quality 	<ul style="list-style-type: none"> Email and messaging/calls Supplier selection Supplier evaluation

Material Matters and Materiality Matrix

In 2023, we conducted our first materiality assessment, to identify and prioritize ESG topics that are relevant to JcbNext and its stakeholders. The ten prioritized material issues include economics, governance, environment and social issues. Through this exercise, we have identified the relative importance of specific ESG concerns and issues to JcbNext that will serve to guide the formulation and prioritization of our initiatives in the coming year. Given the size of our operations, such materiality assessment will be done every 3 years.

We engaged with our stakeholder groups via an online survey to identify and prioritize the material issues that should be prioritized based on the resources available to us. The stakeholder groups include our directors, employees, shareholders, vendors and tenants. The responses received cover a significant portion of our stakeholders.

The survey results are plotted below to show stakeholders' perceptions of the relative importance (y-axis), and relative impact of these issues on JcbNext, as well as JcbNext's impact on these issues (x-axis). The higher-priority issues would be located in the top right quadrant.



The description of these issues are as follows:

Compliance and governance

1. Corporate Governance - Ensure compliance with all laws and regulations
2. Good Business Conduct - Operating transparently, with integrity and accountability. Adopting the highest standards of professionalism, honesty and ethics

SUSTAINABILITY REPORT (CONTINUED)

Sustainable economic growth

3. Economic performance - Economic value generated and distributed to stakeholders and its sustainability.
4. Long-term and Responsible investing - Making investments that consider long-term sustainability rather than short-term gain. Positive net utility as criteria and proper investment risk management.

Human resource sustainability

5. Employee Health, Safety, and Wellbeing - Providing a safe and healthy work environment, enhancing employee health and well-being
6. Talent Development and Learning - Education and training activities that enhance employees' knowledge, skills and competencies to achieve better work performance and support employees' future growth
7. Diversity and Inclusion - Promoting diversity and equal opportunities within the workforce, including gender, race and other forms of diversity.

Data security

8. Cyber security - Ensuring confidentiality and integrity of information and transactions relating to its operations and financial reporting. Equipping employees with the knowledge and skills to recognize and prevent malicious activity from cyber threat actors.

Environment and Community

9. Environmental Footprint - Efforts to reduce its environmental footprint and manage emissions resulting from its activities. This includes energy consumption, water usage, waste management, recycling activities, and other potential initiatives.
10. Community Engagement - Engaging with local communities, supporting local initiatives, and contributing to community development.

As can be observed in the Materiality Matrix, in general, compliance issues are of the highest priority as they should be, followed by economics and human resources, data security, and environmental and social issues.

The results of the materiality assessment were reviewed by our Senior Management and presented to the Board for validation. This will be used to guide our sustainability initiatives in the coming years.

SUSTAINABILITY REPORT (CONTINUED)

Performance Scorecard

Senior management has KPIs in 2023 that are related to sustainability matters as listed below.

Sustainability Matters	KPI	Results
Economic	Free cash flow continues to grow over 10 years rolling period	Achieved
	AUM continues to grow faster over 10 years rolling period vs 12 months MYR Fixed Deposit, KLSE index, S&P 500 Index	Partially achieved. Growth is faster than the 12 months MYR Fixed Deposit and KLSE index but is less vs S&P 500 Index.
	Efficient operation with OPEX as percentage of AUM below 1%.	Achieved
	No material debt	Achieved
Compliance	No material breaches of listing requirements	Achieved
	0 major compliance issue from internal audit	Achieved
Human resources/Social	Succession planning	In progress. Hired additional analyst for the investment team.
Risk control including data security	0 significant event	Achieved

Given our small team footprint, a number of the matters related to the common indicators, e.g. environmental matters such as energy usage and waste management are not material to JcbNext, and hence we have not set any targets. However, we will strive to improve where it is sensible.

Management Approach for Material Matters

Compliance and Governance

JcbNext is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. The Group adopts a “zero-tolerance approach” towards any form of bribery and corruption in conducting its business. This is encoded in our Code of Business Conduct and Ethics policy, and Anti-Bribery and Corruption Policy. Together with our Whistleblowing policy, these policies provide a framework to guide and help us uphold the highest standards of ethics and corporate conduct.

SUSTAINABILITY REPORT (CONTINUED)

Please refer to the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control sections of this Annual Report. Our metrics on the Anti-Corruption indicator (C1) are shown in the table below.

Anti-Corruption			
	2021	2022	2023
C1a - Percentage of employees who have received training on anti- corruption	75%	69%	77%
C1b - Percentage of operations assessed for corruption-related risks	100%	100%	100%
C1c - Confirmed incidents of corruption and action taken	0	0	0
<i>Notes: A part-time admin staff and 2 non-executive staff did not receive training on anti-corruption.</i>			

In 2023, a gap analysis for our Sustainability framework was done by our internal auditor. A Sustainability Policy was created and approved by the Board. Our CEO has also taken on the role of the Sustainability Officer. We also reviewed our ERM framework and Risk scorecards. Some scorecards were amended and new ones were added to better monitor our investment-related risks.

Economic Performance

We aim to build up JcbNext as a long-term, ever-lasting investment holding company that owns stakes in other excellent, cash-flow-generating businesses. Ownership or part-ownership of such businesses could allow us to share in their business growth and success. If our investee companies distribute their profits in the form of dividends, that would provide us with an income stream that we can distribute onwards to JcbNext shareholders.

Although generally industry agnostic, we hope to invest in companies that have a “net positive social utility”. When such a discussion is needed, we weigh the pros and cons of potential investee companies from a “social utility” perspective - whether society needs the product or business, and whether it is better for the product or business to exist in the long run. In 2023, we formally incorporated this consideration into our investment policy documents.

Note that to ensure the sustainability of our economic performance, we also endeavour to keep our operational costs low and incorporate proper risk management measures into our daily operations.

Please refer to the relevant sections of this Annual Report for data on our financial performance.

SUSTAINABILITY REPORT (CONTINUED)

Human Resources/Social

JcbNext believes that our employees are our most valuable assets and are the driving force of our success and growth. We have a small team of employees that allows us to keep an efficient and cost-effective operation that is sustainable for the long term. We aim to see them grow their career with us in a conducive environment for their growth and well-being, as they strive to generate long-term value for our shareholders.

Concerning our human resources, for metrics on Diversity (C3), Health and Safety (C5), Labour practices and standards, and Learning and Development (C6) indicators, please refer to the respective tables below. Given our small team size, we have not set any targets for these indicators. However, we will strive to improve where it is sensible.

C3a Employee Diversity			
<u>Employee Breakdown by Gender</u>			
	2021	2022	2023
Male	58%	62%	62%
Female	42%	38%	38%

<u>Employee Breakdown by Gender and Employee Categories</u>			
	2021	2022	2023
Senior Management - Male	100%	100%	100%
Senior Management - Female	0%	0%	0%
Middle Management - Male	0%	0%	0%
Middle Management - Female	100%	100%	100%
Executive - Male	50%	60%	60%
Executive - Female	50%	40%	40%
Non-Executive - Male	50%	50%	50%
Non-Executive - Female	50%	50%	50%

C3b Board Diversity			
<u>By Gender</u>			
	2021	2022	2023
Male	75%	60%	80%
Female	25%	40%	20%

SUSTAINABILITY REPORT (CONTINUED)

Health and Safety			
	2021	2022	2023
C5a - Number of work-related fatalities	0	0	0
C5b - Lost time incident rate (Hours)	0	0	0
C5c - Number of employees trained on health and safety standards	0	0	0

C6a Labour practices and standards, Learning and Development			
<u>Average Training Hours Per Employee - By Gender</u>			
	2021	2022	2023
Male	74.79	7.75	20.13
Female	-	3.20	4.30

<u>Average Training Hours Per Employee By Category</u>			
	2021	2022	2023
Senior Management	129.50	5.00	18.00
Middle Management	-	6.00	8.25
Executive	1.38	9.20	18.80
Non-Executive	-	-	-
Total Amount Invested per Employee in Learning and Development (RM)	521	1,121	2,403

Further breakdown and information can be found in the Performance Data Table in the next section. Similarly, for metrics on Community Investment (C2), and Local Suppliers Proportion (C7) indicators, please refer to the Performance Data Table in the next section.

For staff development, our employees can claim exam leave, professional certification fees, and training for their professional development. For staff welfare, our benefits include transport allowances to non-managerial staff, outpatient treatment claims, hospitalization and surgery insurance for staff and family, time-off for antenatal check-ups, comprehensive annual health screening for those 30 years and above, term life insurance for all staff, monetary award for long-standing staff, healthy meal claims, and flexibility to work from home when needed.

SUSTAINABILITY REPORT (CONTINUED)

Data security

As IT is evolving at such a fast pace and with our small team, we have outsourced most of our IT requirements to reliable third-party hosting providers with specialized expertise. However, we continue to review potential threats and educate our employees on the types of cyber threat tactics used to stay vigilant.

For the past 3 years, there have been zero complaints about breaches of customer privacy and losses of customer data (C8 indicator).

Environment

We are continuously seeking effective and efficient conservation management of resources in support of the green environment; (a) Environmental Protection - to minimize wastage in our energy consumption through mindful usage of energy and water resources. (b) Resource Conservation - to improve productivity, reduce wastage, and conserve energy resources based on the 3R concept (i.e., Reduce, Reuse, Recycle). This includes minimizing the use of paper in our everyday operations through digitization, electronic meetings so travel is not needed, and encouraging recycling. As a building owner, we encourage our tenants to recycle by providing recycling bins.

For metrics on Energy Management (C4) and Water Management (C9) indicators, please refer to the tables below. Given our small footprint, we have not set any targets for these environmental and climate-related indicators. However, we will strive to improve where it is sensible.

Energy Management			
	2021	2022	2023
C4a - Total energy consumption (KWh)	9,694	68,536	82,473
<i>Notes: Only for JcbNext's office floor. Includes proportional usage of centralized air conditioner. 2021 and 2022 were affected by work from home arrangements due to COVID.</i>			

Water			
	2021	2022	2023
C9a - Total volume of water used (M3)	216	450	728
<i>Notes: Only for JcbNext's office floor. 2021 and 2022 were affected by work from home arrangements due to COVID.</i>			

In 2023, the following activities were implemented.

1. Placement of recycling bins in the common area of Wisma JcbNext to encourage recycling.
2. We started looking into renewable energy for Wisma JcbNext by installing solar panels on the roof of Wisma JcbNext. The goal is to complete this in 2024.

SUSTAINABILITY REPORT (CONTINUED)

Performance Data Table (as extracted from Bursa Malaysia ESG Reporting Platform)

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	50	46.15	46.15
Executive	Percentage	25	23.08	30.77
Non-executive/Technical Staff	Percentage	0	0	0
General Workers	Percentage	0	0	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<i>Note: A part-time admin staff and 2 non-executive staff did not receive training on anti-corruption.</i>				
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	0	0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0	0	0
Management Between 30-50	Percentage	66.67	66.67	66.67
Management Above 50	Percentage	33.33	33.33	33.33
Executive Under 30	Percentage	25	20	20
Executive Between 30-50	Percentage	50	60	60
Executive Above 50	Percentage	25	20	20
Non-executive/Technical Staff Under 30	Percentage	0	0	0
Non-executive/Technical Staff Between 30-50	Percentage	0	0	0
Non-executive/Technical Staff Above 50	Percentage	100	100	100
General Workers Under 30	Percentage	0	0	0
General Workers Between 30-50	Percentage	0	0	0
General Workers Above 50	Percentage	0	0	0

SUSTAINABILITY REPORT (CONTINUED)

Indicator	Measurement Unit	2021	2022	2023
Bursa (Diversity) (continued)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category (continued)				
Gender Group by Employee Category				
Management Male	Percentage	66.67	66.67	66.67
Management Female	Percentage	33.33	33.33	33.33
Executive Male	Percentage	50	60	60
Executive Female	Percentage	50	40	40
Non-executive/Technical Staff Male	Percentage	50	50	50
Non-executive/Technical Staff Female	Percentage	50	50	50
General Workers Male	Percentage	0	0	0
General Workers Female	Percentage	0	0	0
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	75	60	80
Female	Percentage	25	40	20
Under 30	Percentage	0	0	0
Between 30-50	Percentage	25	20	0
Above 50	Percentage	75	80	100
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	9.69	68.54	82.47
<i>Note: Only for JcbNext's office floor. Includes proportional usage of centralized air conditioner. 2021 and 2022 were affected by work from home arrangement due to COVID.</i>				
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	0	0
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	518	32	89
Executive	Hours	6	46	94
Non-executive/Technical Staff	Hours	0	0	0
General Workers	Hours	0	0	0

SUSTAINABILITY REPORT (CONTINUED)

Indicator	Measurement Unit	2021	2022	2023
Bursa (Labour practices and standards) (continued)				
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	0	0
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	0	0	0
Executive	Number	0	0	0
Non-executive/Technical Staff	Number	0	0	0
General Workers	Number	0	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	88.7	90.4	89.43
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	0.21575	0.44975	0.72775

AUDIT AND RISK COMMITTEE REPORT

MEMBERSHIP

Chairman : Teo Koon Hong (*Senior Independent Non-Executive Director*)
Members : Lim Chao Li (*Non-Independent Non-Executive Director*)
 Tan Beng Ling (*Independent Non-Executive Director*)
 Cindy Eunbyol Ko (*Independent Non-Executive Director*)(retired on 20 June 2023)

MEETINGS

The Audit and Risk Committee ("ARC") held five (5) 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)	5/5
Lim Chao Li	5/5
Tan Beng Ling	4/5
Cindy Eunbyol Ko (retired on 20 June 2023)	2/3

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 on a quarterly basis in each financial 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 the other members of the Board of Directors ("Board").

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. The Terms of Reference of the ARC have been revised and approved by the Board on 21 November 2023. The responsibilities of the ARC are in line with the Main Market Listing Requirements and the Malaysian Code on Corporate Governance.

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 judgments 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 27 April 2023 and 21 November 2023 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 2023 and 21 November 2023.

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, Directors' Responsibility Statement in respect of the Audited Financial Statements, 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.

6. Matters relating to conflict of interest / potential conflict of interest

- (a) Reviewed and addressed any conflict of interest / potential conflict of interest situations that may arise within the Group on quarterly basis, involving major shareholders, directors and key senior management with respect to the Group's investments.

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, sustainability and other business-related programmes to enable them to discharge their responsibilities as members of the ARC more effectively. Details of the trainings are disclosed in the Corporate Governance Overview Statement on page 37 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 reviews 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 is free from any relationship or conflict of interest that could impair its objectivity and independence.

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 and Management from implementing board policies on risk and control. In fulfilling its responsibilities, the ARC, Board of Directors and management identify and evaluate the risks faced by the Group, and design, operate and monitor a suitable system of internal control that implements the policies adopted by the Board.

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

- a) Group Risk Assessment;
- b) Enhanced Sustainability Reporting Framework; and
- c) Post Investment Tracking, Monitoring and Reporting

The scope of internal audit reviews for the year 2023 has been identified on a risk-based approach. The internal audit findings with recommendations as well as management's responses have been discussed with and affirmed by Senior Management and subsequently presented to the ARC.

The total costs incurred in supporting the Internal Audit Function for the financial year amounted to approximately RM83,000.00 (2022: RM77,000.00).

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, Practice 10.2 of the Malaysian Code on Corporate Governance and with reference to the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” 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 within acceptable level 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 (“ARC”) 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:

- ARC 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT REVIEW

The 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 ARC, 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 2023, 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 26 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the financial year ended 31 December 2023.

Audit and Non-Audit Fees

During the financial year ended 31 December 2023, 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	220,000	210,000
Non-audit fees	51,018	51,018

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 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

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

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

for the year ended 31 December 2023

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 2023.

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	35,490,701	38,437,054
Non-controlling interests	<u>(4,153)</u>	<u>-</u>
	<u>35,486,548</u>	<u>38,437,054</u>

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 6.0 sen per ordinary share amounting to RM7,921,957 in respect of the financial year ended 31 December 2022 on 25 July 2023.

The Directors recommend the payment of a final single tier dividend of 6.5 sen per ordinary share amounting to RM8,581,931 in respect of the financial year ended 31 December 2023. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2023, 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
Tan Beng Ling
Wong Siew Hui (Appointed on 24 February 2023)
Cindy Eunbyol Ko (Retired on 20 June 2023)

DIRECTORS' REPORT (CONTINUED)

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 31.12.2023
	At 1.1.2023	Bought	Sold/ Transfer	
Interests in the Company:				
Datuk Ali bin Abdul Kadir	740,000	-	-	740,000
Lim Chao Li	1,000,000	-	-	1,000,000
Wong Siew Hui	200,626	-	-	200,626
Deemed Interests in the Company:				
Wong Siew Hui	12,000,074	-	-	12,000,074

None of the other Directors holding office at 31 December 2023 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 2023 are as follows:

	From the Group and Company RM
Directors of the Company:	
Fees	323,230
Remuneration	96,053
	<hr/>
	419,283

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.

DIRECTORS' REPORT (CONTINUED)

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 RM30,134 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, except for the gain on partial disposal of investment in an associate as disclosed in Note 21, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 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.

DIRECTORS' REPORT (CONTINUED)

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 RM230,000 and RM220,000 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: 26 April 2024

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Assets					
Property and equipment	3	46,792	57,010	46,027	53,968
Right-of-use assets	4	36,904	94,402	-	-
Investment properties	5	18,000,000	18,388,000	18,000,000	18,388,000
Investments in subsidiaries	6	-	-	103,311,035	103,311,035
Investments in associates	7	114,227,340	125,705,566	69,550,826	79,652,499
Other investments	8	128,714,843	137,126,789	64,040,763	52,287,901
Total non-current assets		261,025,879	281,371,767	254,948,651	253,693,403
Other investments	8	35,502,426	22,384,799	34,621,391	22,384,799
Current tax assets		94,337	87,119	94,337	87,119
Trade and other receivables	9	13,387	212,484	32,529	191,120
Prepayments and other assets		151,442	126,107	133,760	100,296
Deposits with licensed banks with original maturities more than three months		-	20,621,074	-	20,621,074
Cash and cash equivalents	10	74,067,862	25,989,951	63,292,747	18,025,198
Assets classified as held for sale	11	800,000	-	800,000	-
Total current assets		110,629,454	69,421,534	98,974,764	61,409,606
Total assets		371,655,333	350,793,301	353,923,415	315,103,009
Equity					
Share capital		196,619,727	196,619,727	196,619,727	196,619,727
Reserves		165,527,091	152,176,828	151,652,711	116,916,128
Total equity attributable to owners of the Company	12	362,146,818	348,796,555	348,272,438	313,535,855
Non-controlling interests		-	22,837	-	-
Total equity		362,146,818	348,819,392	348,272,438	313,535,855
Liabilities					
Borrowings	13	-	158,774	-	-
Lease liabilities		-	36,593	-	-
Deferred tax liabilities	14	7,780,946	99,224	4,097,454	99,224
Total non-current liabilities		7,780,946	294,591	4,097,454	99,224
Borrowings	13	-	7,726	-	-
Lease liabilities		38,828	59,104	-	-
Other payables	15	1,684,090	1,602,011	1,553,523	1,467,930
Current tax payables		4,651	10,477	-	-
Total current liabilities		1,727,569	1,679,318	1,553,523	1,467,930
Total liabilities		9,508,515	1,973,909	5,650,977	1,567,154
Total equity and liabilities		371,655,333	350,793,301	353,923,415	315,103,009

The notes on pages 76 to 118 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	16	10,908,260	9,531,376	20,390,218	18,238,575
Other operating income		1,186,586	1,160,463	1,431,434	1,251,912
Contract and outsourcing cost		(179,407)	(348,639)	-	-
Depreciation of property and equipment	3	(28,342)	(41,924)	(25,961)	(36,683)
Depreciation of right-of-use assets	4	(61,732)	(59,109)	-	-
Staff costs	18	(2,135,973)	(2,486,874)	(1,934,201)	(2,304,434)
Other operating expenses		(2,242,627)	(2,293,290)	(2,083,027)	(1,961,526)
Results from operating activities		7,446,765	5,462,003	17,778,463	15,187,844
Interest expense		(11,249)	(10,466)	-	-
Gain on financial assets classified as fair value through profit or loss		1,467,529	464,229	1,411,414	464,229
Gain on changes in fair value of investment properties	5	412,000	-	412,000	-
Gain on disposal of investment in an associate		18,473,774	5,032,597	21,040,668	5,636,968
Gain on disposal of a subsidiary	19	87,462	-	28,384	-
Impairment loss on amounts due from subsidiaries		-	-	(339,268)	(311,737)
Share of profit of equity accounted associates, net of tax		13,439,997	14,651,077	-	-
Profit before tax		41,316,278	25,599,440	40,331,661	20,977,304
Tax expense	20	(5,829,730)	(2,025,353)	(1,894,607)	(1,772,105)
Profit for the year	21	35,486,548	23,574,087	38,437,054	19,205,199

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Profit for the year	21	35,486,548	23,574,087	38,437,054	19,205,199
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 changes		(18,468,996)	(11,775,168)	5,228,787	(639,022)
- Gain/(Loss) on exchange differences		3,148,631	3,642,996	(1,007,301)	1,797,558
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		1,077,951	(7,292,612)	-	-
Share of gain of equity-accounted associates		109,358	389,078	-	-
Total other comprehensive (loss)/income for the year, net of tax	22	<u>(14,133,056)</u>	<u>(15,035,706)</u>	<u>4,221,486</u>	<u>1,158,536</u>
Total comprehensive income for the year		<u>21,353,492</u>	<u>8,538,381</u>	<u>42,658,540</u>	<u>20,363,735</u>
Profit attributable to:					
Owners of the Company		35,490,701	23,572,972	38,437,054	19,205,199
Non-controlling interests		(4,153)	1,115	-	-
Profit for the year		<u>35,486,548</u>	<u>23,574,087</u>	<u>38,437,054</u>	<u>19,205,199</u>
Total comprehensive income attributable to:					
Owners of the Company		21,358,317	8,538,613	42,658,540	20,363,735
Non-controlling interests		(4,825)	(232)	-	-
Total comprehensive income for the year		<u>21,353,492</u>	<u>8,538,381</u>	<u>42,658,540</u>	<u>20,363,735</u>
Basic earnings per ordinary share based on profit attributable to owners of the Company (sen):	23	<u>26.88</u>	<u>17.85</u>		

The notes on pages 76 to 118 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2023

Group	Note	Attributable to owners of the Company					Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		Share capital RM	Capital reserve RM	Translation reserve RM	Fair value reserve RM	Revaluation reserve RM				
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		-	-	-	(11,775,168)	-	-	(11,775,168)	-	(11,775,168)
- Loss on price changes		-	-	-	3,642,996	-	-	3,642,996	-	3,642,996
- Gain on exchange differences		-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted associates		-	128,648	260,430	-	-	-	389,078	-	389,078
Total other comprehensive loss 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	24	-	-	-	-	-	(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 12	Note 12	Note 12	Note 12	Note 12				

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Group	Note	Attributable to owners of the Company					Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
		Share capital RM	Capital reserve RM	Translation reserve RM	Fair value reserve RM	Revaluation reserve RM				
At 1 January 2023										
		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
Foreign currency translation differences for foreign operations		-	-	1,078,623	-	-	-	1,078,623	(672)	1,077,951
Equity instruments designated at fair value through other comprehensive income										
- Loss on price changes		-	-	-	(18,468,996)	-	-	(18,468,996)	-	(18,468,996)
- Gain on exchange differences		-	-	-	3,148,631	-	-	3,148,631	-	3,148,631
Share of other comprehensive income of equity-accounted associates		-	(13,009)	122,367	-	-	-	109,358	-	109,358
Total other comprehensive loss for the year		-	(13,009)	1,200,990	(15,320,365)	-	-	(14,132,384)	(672)	(14,133,056)
Profit for the year		-	-	-	-	-	35,490,701	35,490,701	(4,153)	35,486,548
Total comprehensive income of the year		-	(13,009)	1,200,990	(15,320,365)	-	35,490,701	21,358,317	(4,825)	21,353,492
<i>Contributions by and distributions to owners of the Company</i>										
- Dividends	24	-	-	-	-	-	(7,921,957)	(7,921,957)	-	(7,921,957)
Total transactions with owners of the Company		-	-	-	-	-	(7,921,957)	(7,921,957)	-	(7,921,957)
Transfer upon the disposal of investment in an associate		-	(256,889)	-	-	-	256,889	-	-	-
Transfer upon the disposal of investment designated at FVOCI		-	-	-	716,232	-	(716,232)	-	-	-
Disposal of a subsidiary		-	-	(86,097)	-	-	-	(86,097)	(18,012)	(104,109)
At 31 December 2023		196,619,727	1,634,067	26,092,536	(9,571,775)	5,742,256	141,630,007	362,146,818	-	362,146,818
		Note 12	Note 12	Note 12	Note 12	Note 12				

The notes on pages 76 to 118 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Note	Attributable to owners of the Company			Total equity RM	
		Share capital RM	Fair value reserve RM	Revaluation reserve RM		Retained earnings 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
<i>Contributions by and distributions to owners of the Company</i>						
- Dividends	24	-	-	-	(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 12	Note 12	Note 12		

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Note	←-----Attributable to owners of the Company-----→				
		Share capital RM	Fair value reserve RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
At 1 January 2023		196,619,727	10,196,774	5,443,353	101,276,001	313,535,855
Equity instruments designated at fair value through other comprehensive income						
- Gain on price changes		-	5,228,787	-	-	5,228,787
- Loss on exchange differences		-	(1,007,301)	-	-	(1,007,301)
Total other comprehensive income for the year		-	4,221,486	-	-	4,221,486
Profit for the year		-	-	-	38,437,054	38,437,054
Total comprehensive income for the year		-	4,221,486	-	38,437,054	42,658,540
<i>Contributions by and distributions to owners of the Company</i>						
- Dividends	24	-	-	-	(7,921,957)	(7,921,957)
Total transactions with owners of the Company		-	-	-	(7,921,957)	(7,921,957)
Transfer upon the disposal of investment designated at FVOCI		-	304,209	-	(304,209)	-
At 31 December 2023		196,619,727	14,722,469	5,443,353	131,486,889	348,272,438
		Note 12	Note 12	Note 12		

The notes on pages 76 to 118 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
Profit before tax		41,316,278	25,599,440	40,331,661	20,977,304
Adjustments for:					
Changes in fair value of investment properties		(412,000)	-	(412,000)	-
Depreciation of property and equipment	3	28,342	41,924	25,961	36,683
Depreciation of right-of-use assets	4	61,732	59,109	-	-
Share of profit after tax of equity-accounted associates		(13,439,997)	(14,651,077)	-	-
Dividend income		(7,863,561)	(7,161,770)	(17,731,924)	(16,255,877)
Interest income		(1,496,601)	(669,969)	(1,306,318)	(669,676)
Finance costs		11,249	10,466	-	-
Investment distribution income	16	(14,707)	(54,423)	(14,707)	(54,423)
Impairment loss on amounts due from subsidiaries		-	-	339,268	311,737
Gain on financial assets classified as fair value through profit or loss		(1,467,529)	(464,229)	(1,411,414)	(464,229)
Gain on disposal of investment in an associate		(18,473,774)	(5,032,597)	(21,040,668)	(5,636,968)
Gain on disposal of a subsidiary	19	(87,462)	-	(28,384)	-
Unrealised foreign exchange (gain)/loss		(619,498)	81,402	(851,830)	(124,640)
Operating loss before working capital changes		(2,457,528)	(2,241,724)	(2,100,355)	(1,880,089)
Change in trade and other receivables		13,866	15,811	(151,583)	(122,188)
Change in prepayments and other assets		(26,520)	15,052	(33,464)	5,853
Change in other payables		103,166	(160,288)	85,593	57,391
Cash used in operations		(2,367,016)	(2,371,149)	(2,199,809)	(1,939,033)
Income tax paid		(2,115,269)	(2,102,499)	(1,851,172)	(1,837,567)
Interest received		1,625,256	621,301	1,456,492	621,009
Interest paid		(11,249)	(10,418)	-	-
Net cash used in operating activities		(2,868,278)	(3,862,765)	(2,594,489)	(3,155,591)
Cash flows from investing activities					
Acquisition of other investments		(33,821,877)	(83,114,590)	(32,419,574)	(45,098,406)
Acquisition of property and equipment	3	(18,020)	(26,058)	(18,020)	(26,058)
Dividends received from an associate	16	12,900,420	12,146,281	12,900,420	12,146,281
Dividends received from other investments	16	7,863,561	7,161,770	4,831,504	4,109,596
Increase in investment in a subsidiary	6	-	-	-	(36,259,123)
Investment distribution income received	16	14,707	54,423	14,707	54,423
Net change in deposits with licensed banks with original maturities more than 3 months		20,621,074	(432,858)	20,621,074	(432,858)
Net cash (outflow)/inflow from disposal of a subsidiary	19	(133,761)	-	28,384	-
Proceeds from paid-up capital of an equity investment		11,136	-	-	-
Proceeds from disposal of investment in an associate		31,142,341	8,669,537	31,142,341	8,669,537
Proceeds from disposal of other investments		19,199,800	21,385,364	18,010,597	21,119,484
Net cash generated from/(used in) investing activities		57,779,381	(34,156,131)	55,111,433	(35,717,124)

STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Dividends paid to shareholders of the Company	24	(7,921,957)	(4,621,214)	(7,921,957)	(4,621,214)
Payment of lease liabilities		(61,196)	(58,445)	-	-
Net cash used in financing activities		<u>(7,983,153)</u>	<u>(4,679,659)</u>	<u>(7,921,957)</u>	<u>(4,621,214)</u>
Net increase/(decrease) in cash and cash equivalents		46,927,950	(42,698,555)	44,594,987	(43,493,929)
Cash and cash equivalents at beginning of the year		25,989,951	68,357,578	18,025,198	61,566,223
Effects of exchange rate fluctuations on cash held		<u>1,149,961</u>	<u>330,928</u>	<u>672,562</u>	<u>(47,096)</u>
Cash and cash equivalents at end of the year	10	<u>74,067,862</u>	<u>25,989,951</u>	<u>63,292,747</u>	<u>18,025,198</u>

Cash outflows for leases as a lessee

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 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	10,899	9,697	-	-
Included in net cash from financing activities				
Payment of lease liabilities	<u>61,196</u>	<u>58,445</u>	<u>-</u>	<u>-</u>
Total cash outflows for leases	<u>74,255</u>	<u>70,302</u>	<u>2,160</u>	<u>2,160</u>

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

	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/At 1 January 2023 RM	Net changes from financing cash flows RM	Foreign exchange movement RM	Effect of disposal RM	At 31 December 2023 RM
Lease liabilities	33,956	116,046	(58,445)	4,140	95,697	(61,196)	4,327	-	38,828
Borrowings	181,500	-	-	(15,000)	166,500	-	(5,500)	(161,000)	-
Total liabilities from financing activities	<u>215,456</u>	<u>116,046</u>	<u>(58,445)</u>	<u>(10,860)</u>	<u>262,197</u>	<u>(61,196)</u>	<u>(1,173)</u>	<u>(161,000)</u>	<u>38,828</u>

The notes on pages 76 to 118 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

Wisma JcbNext
No.27, Lorong Medan Tuanku 1
(Off Jalan Sultan Ismail)
50300 Kuala Lumpur

Registered office

12th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 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 2023 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 26 April 2024.

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”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting 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:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and 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 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024; and
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

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 consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Other investments at FVTPL	Fair value
Other investments at FVOCI	Fair value
Investment property	Fair value

(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 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 26.7 - fair value of unquoted shares

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. PROPERTY AND EQUIPMENT

Group	Computers RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Total RM
Cost					
At 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/ 1 January 2023	158,524	34,723	1,625,837	27,775	1,846,859
Additions	18,020	-	-	-	18,020
Write off	(28,517)	(2,358)	-	-	(30,875)
Exchange difference	975	800	-	176	1,951
At 31 December 2023	149,002	33,165	1,625,837	27,951	1,835,955
Depreciation					
At 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/ 1 January 2023	148,333	28,743	1,591,489	21,284	1,789,849
Depreciation for the year	5,938	3,929	14,908	3,567	28,342
Write off	(28,517)	(2,358)	-	-	(30,875)
Exchange difference	975	704	-	168	1,847
At 31 December 2023	126,729	31,018	1,606,397	25,019	1,789,163
Carrying amounts					
At 1 January 2022	5,066	12,567	46,379	8,510	72,522
At 31 December 2022/ 1 January 2023	10,191	5,980	34,348	6,491	57,010
At 31 December 2023	22,273	2,147	19,440	2,932	46,792

3. PROPERTY AND EQUIPMENT (CONTINUED)

Company	Computers RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Total RM
Cost					
At 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/ 1 January 2023	126,270	20,670	842,904	24,898	1,014,742
Additions	18,020	-	-	-	18,020
At 31 December 2023	144,290	20,670	842,904	24,898	1,032,762
Depreciation					
At 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/ 1 January 2023	116,081	17,444	808,555	18,694	960,774
Depreciation for the year	5,938	1,843	14,908	3,272	25,961
At 31 December 2023	122,019	19,287	823,463	21,966	986,735
Carrying amounts					
At 1 January 2022	3,179	7,335	46,379	7,700	64,593
At 31 December 2022/ 1 January 2023	10,189	3,226	34,349	6,204	53,968
At 31 December 2023	22,271	1,383	19,441	2,932	46,027

3.1 Material accounting policy information

(i) Recognition and measurement

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

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

(ii) Depreciation

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. RIGHT-OF-USE ASSETS

	Group Buildings RM
At 1 January 2022	33,763
Addition	116,046
Depreciation	(59,109)
Exchange difference	3,702
	<hr/>
At 31 December 2022/1 January 2023	94,402
Depreciation	(61,732)
Exchange difference	4,234
	<hr/>
At 31 December 2023	<u>36,904</u>

The Group leases an office with contract terms of 24 months (2022: 24 months). There is no option to renew the lease after that date.

4.1 Material accounting policy information

(i) Recognition exemption

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 leases as an expense on a straight-line basis over the lease term.

5. INVESTMENT PROPERTIES

	Note	Group and Company	
		2023	2022
		RM	RM
At 31 December 2022/1 January 2023		18,388,000	18,388,000
Change in fair value recognised in profit or loss		412,000	-
		<hr/>	<hr/>
		18,800,000	18,388,000
Transfer to assets held for sale	11	(800,000)	-
		<hr/>	<hr/>
At 31 December 2023		<u>18,000,000</u>	<u>18,388,000</u>

Included in the above are:

	Group and Company	
	2023	2022
	RM	RM
At fair value		
Freehold land	14,000,000	14,000,000
Buildings	4,000,000	4,388,000
	<hr/>	<hr/>
	<u>18,000,000</u>	<u>18,388,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT PROPERTIES (CONTINUED)

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 rent is charged.

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

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Rental income	16	1,332,684	1,254,399	1,337,269	1,258,599
Direct operating expenses:					
- income generating investment properties		(970,327)	(931,685)	(970,327)	(931,685)

5.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group RM	Company RM
2023		
Less than one year	873,406	873,791
2022		
Less than one year	873,406	873,756

5.2 Fair value information

Fair value of investment properties are categorised as follows:

	Group and Company Level 3	
	2023 RM	2022 RM
Freehold land	14,000,000	14,000,000
Buildings	4,000,000	4,388,000
	<u>18,000,000*</u>	<u>18,388,000*</u>

* RM18,000,000 (2022: RM18,000,000) is determined by an external and independent property valuer.

5. INVESTMENT PROPERTIES (CONTINUED)

5.2 Fair value information (continued)

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 2.5% (2022: -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 (2022: 0 to 1 month per year) 3) Risk-adjusted discount rate = 4.00% to 4.30% (2022: 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.

5.3 Material accounting policy information

Investment properties are measured subsequently at fair value with any charges therein recognise in profit or loss for the period in which they arise.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Cost of investment	104,931,056	105,455,486
Less: Accumulated impairment losses	(1,620,021)	(2,144,451)
	103,311,035	103,311,035

In the previous financial year, the Company subscribed for 11,261,271 fully paid-up ordinary shares of JcbNext Pte. Ltd. at RM3.22 each via cash injections of RM36,259,123.

On 30 June 2023, the Company had disposed 60% equity interest in Greenfield Japan Kabushiki Kaisha (“GJKK”) for a total cash consideration of RM28,384 (JPY881,500). As a result of the disposal, GJKK ceased to be a subsidiary of the Company.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Autoworld.com.my Sdn. Bhd.	Malaysia	Automobile online advertising services	100	100
JcbNext Pte. Ltd. *	Singapore	Investment Holding	100	100
JobStreet.com India Pvt. Ltd. **	India	Ceased operations and in the process to be struck 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

* 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”).

6.1 Material accounting policy information

Investments in subsidiaries are measured in the Company’s statement of financial position at cost less any impairment losses.

An impairment loss in respect of investments in subsidiaries is recognised in profit or loss and its carrying amount is reduced through the use of an allowance account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Investments in associates:				
Investment in shares	69,550,826	79,652,499	69,550,826	79,652,499
Share of post-acquisition profits	16,165,339	17,935,766	-	-
Post-acquisition foreign exchange translation reserve	26,877,108	26,213,336	-	-
Post-acquisition capital reserve	1,634,067	1,903,965	-	-
	<u>114,227,340</u>	<u>125,705,566</u>	<u>69,550,826</u>	<u>79,652,499</u>
Fair value of quoted shares				
Level 1	<u>209,994,062</u>	<u>223,354,951</u>	<u>209,994,062</u>	<u>223,354,951</u>

During the financial year, the Company has disposed ordinary shares in 104 Corporation, representing 3.09% of 104 Corporation's issued and paid-up share capital. The gain on disposal to the Group and the Company amounted to RM18,473,774 and RM21,040,668 respectively.

Details of material associates are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
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	18.65	21.74

* Audited by firms of auditors other than KPMG International

Audited by other member firms of KPMG International

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

2023	Innity Corporation Berhad RM	104 Corporation RM	
As at 31 December			
Non-current assets	11,764,112	74,123,419	
Current assets	69,989,963	452,544,723	
Non-current liabilities	(3,389,645)	(17,547,528)	
Current liabilities	(38,946,400)	(261,580,916)	
Non-controlling interest	(263,026)	-	
Net assets	39,155,004	247,539,698	
Year ended 31 December			
(Loss)/Profit for the year	(1,101,047)	67,418,505	
Other comprehensive income/(loss)	705,206	(184,684)	
Total comprehensive (loss)/income	(395,841)	67,233,821	
Included in comprehensive income is			
Revenue	114,012,489	347,780,316	
	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	8,215,503	46,172,837	54,388,340
Goodwill	4,946,718	38,840,684	43,787,402
Effects of exchange rate fluctuations	-	16,051,598	16,051,598
Carrying amount in the statement of financial position	13,162,221	101,065,119	114,227,340
Group's share of results for the year ended 31 December			
Group's share of (loss)/profit	(231,022)	13,671,019	13,439,997
Group's share of comprehensive income	147,966	(38,608)	109,358
	(83,056)	13,632,411	13,549,355
Other information			
Dividend received by the Group	-	12,900,420	

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information (continued)

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	<u>39,550,845</u>	<u>236,039,119</u>
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	<u>1,011,533</u>	<u>64,308,409</u>
Included in comprehensive income is		
Revenue	<u>119,216,452</u>	<u>311,196,614</u>

	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	<u>13,245,277</u>	<u>112,460,289</u>	<u>125,705,566</u>
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
	<u>212,239</u>	<u>14,827,916</u>	<u>15,040,155</u>
Other information			
Dividend received by the Group	-	12,146,281	

7.1 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. OTHER INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-current				
Fair value through other comprehensive income	128,714,843	137,126,789	64,040,763	52,287,901
Current				
Fair value through profit or loss	35,502,426	22,384,799	34,621,391	22,384,799
	<u>164,217,269</u>	<u>159,511,588</u>	<u>98,662,154</u>	<u>74,672,700</u>

8.1 Equity investments designated at fair value through other comprehensive income

The Group designated the investments shown below as equity securities 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	Dividend income recognised during the year	Fair value at 31 December	Dividend income recognised during the year
	RM	RM	RM	RM
2023				
Quoted investments	123,849,766	7,863,561	59,660,166	4,831,504
Unquoted investments	4,865,077	-	4,380,597	-
	<u>128,714,843</u>	<u>7,863,561</u>	<u>64,040,763</u>	<u>4,831,504</u>
2022				
Quoted investments	128,593,438	7,161,770	48,155,057	4,109,596
Unquoted investments	8,533,351	-	4,132,844	-
	<u>137,126,789</u>	<u>7,161,770</u>	<u>52,287,901</u>	<u>4,109,596</u>

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

	Fair value loss at derecognition	Cumulative loss on disposal (net of tax)	Dividend income recognised during the year
	RM	RM	RM
2023			
Group			
Quoted investments	716,232	716,232	16,188
Company			
Quoted investments	304,209	304,209	16,188

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. OTHER INVESTMENTS (CONTINUED)

8.1 Equity investments designated at fair value through other comprehensive income (continued)

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

8.2 Material accounting policy information

Equity investments not held for trading

At initial recognition, the Group irrevocably elects to present subsequent changes in the fair value of the investments in other comprehensive income. The election is made on investment-by-investment basis.

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade receivables		-	49,929	-	-
Non-trade					
Amount due from subsidiaries	9.1	-	-	7,048,511	6,709,243
Less: Impairment losses	9.2	-	-	(7,048,511)	(6,709,243)
			-	-	-
Other receivables		13,387	162,555	32,529	191,120
		13,387	162,555	32,529	191,120
		13,387	212,484	32,529	191,120

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

9.2 Material accounting policy information

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits with licensed banks	42,742,023	7,023,600	33,655,092	7,023,600
Cash and bank balances	31,325,839	18,966,351	29,637,655	11,001,598
	<u>74,067,862</u>	<u>25,989,951</u>	<u>63,292,747</u>	<u>18,025,198</u>

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.

11. ASSETS CLASSIFIED AS HELD FOR SALE

On 11 December 2023, the Company entered into a sale and purchase agreement for the disposal of a two-storey shop office for a consideration of RM800,000.

On 29 February 2024, the Company completed the disposal of the said shop office by fulfilling condition precedent as stipulated in the sale and purchase agreement. Accordingly, the carrying amount of the said investment property was derecognised as assets held for sale.

At 31 December 2023, the assets classified as held for sale are as follows:

	Note	Group and Company 2023 RM
Assets classified as held for sale		
Investment properties	5	<u>800,000</u>

12. CAPITAL AND RESERVES

Share capital	Number of shares 2023	Group and Company		Amount 2022 RM
		Amount 2023 RM	Number of shares 2022	
Ordinary shares, issued and fully paid with no par value:				
At 1 January 2023/ 31 December 2023	<u>132,029,700</u>	<u>196,619,727</u>	<u>132,029,700</u>	<u>196,619,727</u>

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.

Capital reserve

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

12. CAPITAL AND RESERVES (CONTINUED)

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.

13. BORROWINGS

	Group	
	2023 RM	2022 RM
Non-current		
Unsecured term loan	-	158,774
Current		
Unsecured term loan	-	7,726
	-	166,500

In the previous financial year, the unsecured term loan was 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 was repayable over 15 years and is denominated in Japanese Yen.

14. DEFERRED TAX LIABILITIES

14.1 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Property and equipment	-	460	(1,717)	-	(1,717)	460
Investment properties	-	-	(410,200)	(369,000)	(410,200)	(369,000)
Unutilised tax losses	19,061	19,061	-	-	19,061	19,061
Other payables	242,979	250,255	-	-	242,979	250,255
Other investments	-	-	(3,947,577)	-	(3,947,577)	-
Investments in associates	-	-	(3,683,492)	-	(3,683,492)	-
Tax assets/(liabilities)	262,040	269,776	(8,042,986)	(369,000)	(7,780,946)	(99,224)
Set off of tax	(262,040)	(269,776)	262,040	269,776	-	-
Net tax liabilities	-	-	(7,780,946)	(99,224)	(7,780,946)	(99,224)

14. DEFERRED TAX LIABILITIES (CONTINUED)**14.1 Recognised deferred tax assets and liabilities (continued)**

Company	Assets		Liabilities		Net	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Property and equipment	-	460	(1,717)	-	(1,717)	460
Investment properties	-	-	(410,200)	(369,000)	(410,200)	(369,000)
Unutilised tax losses	19,061	19,061	-	-	19,061	19,061
Other payables	242,979	250,255	-	-	242,979	250,255
Other investments	-	-	(3,947,577)	-	(3,947,577)	-
Tax assets/(liabilities)	262,040	269,776	(4,359,494)	(369,000)	(4,097,454)	(99,224)
Set off of tax	(262,040)	(269,776)	262,040	269,776	-	-
Net tax liabilities	-	-	(4,097,454)	(99,224)	(4,097,454)	(99,224)

14.2 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	
	2023 RM	2022 RM
Deductible temporary difference	17,000	18,000
Unutilised tax losses	10,345,000	9,935,000
Unabsorbed capital allowances	22,000	22,000
	<u>10,384,000</u>	<u>9,975,000</u>

The abovementioned deferred tax assets do not expire under the current tax legislation except for the unutilised tax losses of RM2,622,000 (2022: RM2,476,000). Pursuant to the Finance Act 2021, the tax loss carry-forwards can only be carried forward up to 10 consecutive Years of Assessment.

14. DEFERRED TAX LIABILITIES (CONTINUED)

14.3 Movement of temporary difference during the year

	At 1 January 2022 RM	Recognised in profit or loss (Note 20) RM	At 31 December 2022/At 1 January 2023 RM	Recognised in profit or loss (Note 20) RM	Recognised in other compre- hensive income (Note 22) RM	At 31 December 2023 RM
Group						
Property and equipment	(2,490)	2,950	460	(2,177)	-	(1,717)
Investment properties	(369,000)	-	(369,000)	(41,200)	-	(410,200)
Unutilised tax losses	19,061	-	19,061	-	-	19,061
Other payables	235,983	14,272	250,255	(7,276)	-	242,979
Other investments	-	-	-	-	(3,947,577)	(3,947,577)
Investments in associates	-	-	-	(3,683,492)	-	(3,683,492)
	<u>(116,446)</u>	<u>17,222</u>	<u>(99,224)</u>	<u>(3,734,145)</u>	<u>(3,947,577)</u>	<u>(7,780,946)</u>
Company						
Property and equipment	(2,490)	2,950	460	(2,177)	-	(1,717)
Investment properties	(369,000)	-	(369,000)	(41,200)	-	(410,200)
Unutilised tax losses	19,061	-	19,061	-	-	19,061
Other payables	235,983	14,272	250,255	(7,276)	-	242,979
Other investments	-	-	-	-	(3,947,577)	(3,947,577)
	<u>(116,446)</u>	<u>17,222</u>	<u>(99,224)</u>	<u>(50,653)</u>	<u>(3,947,577)</u>	<u>(4,097,454)</u>

14.4 Material accounting policy information

Where investment properties and foreign equity securities are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date.

The Group does not control its investments in the associates and is usually not in a position to determine its dividend policy. Therefore, in the absence of an agreement requiring that the profits of the associates will not be distributed in the foreseeable future, the Group recognises a deferred tax liability arising from taxable temporary differences associated with its investments in the associates.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. OTHER PAYABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-trade					
Deferred income	15.1	109,176	109,176	109,561	109,526
Other payables and accrued expenses		1,574,914	1,492,835	1,443,962	1,358,404
		<u>1,684,090</u>	<u>1,602,011</u>	<u>1,553,523</u>	<u>1,467,930</u>

15.1 Deferred income comprises rental income received in advance.

16. REVENUE

	2023 RM	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customer					
- Contract staffing	200,707	390,815	-	-	
Other revenue					
- Rental income from investment properties	1,332,684	1,254,399	1,337,269	1,258,599	
- Dividends from other investments - quoted	7,863,561	7,161,770	4,831,504	4,109,596	
- Dividends from an associate - quoted	-	-	12,900,420	12,146,281	
- Investment distribution income	14,707	54,423	14,707	54,423	
- Interest income	1,496,601	669,969	1,306,318	669,676	
	<u>10,908,260</u>	<u>9,531,376</u>	<u>20,390,218</u>	<u>18,238,575</u>	

16.1 Disaggregation of revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Services				
- Japan	<u>200,707</u>	<u>390,815</u>	<u>-</u>	<u>-</u>

16.2 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.

The recognition of revenue from contract staffing ceased on 1 July 2023, following the Company's disposal of a 60% equity interest in Greenfield Japan Kabushiki Kaisha on 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group and Company	
	2023	2022
	RM	RM
Directors		
- Fees	323,230	312,238
- Remuneration	96,053	31,500
	<u>419,283</u>	<u>343,738</u>
Other key management personnel:		
- Remuneration	740,787	1,244,441
	<u>1,160,070</u>	<u>1,588,179</u>

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

* On 24 February 2023, Wong Siew Hui was appointed as an executive director. Subsequent to his appointment to the Board of Directors, his remuneration has been classified under remuneration of directors.

18. STAFF COSTS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Staff costs (including key management personnel compensation):				
Salaries and other employee benefits	1,904,896	2,223,300	1,720,940	2,057,413
Contributions to state plans	231,077	263,574	213,261	247,021
	<u>2,135,973</u>	<u>2,486,874</u>	<u>1,934,201</u>	<u>2,304,434</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. DISPOSAL OF SUBSIDIARY

On 30 June 2023, the Company had disposed 60% equity interest in Greenfield Japan Kabushiki Kaisha ("GJKK") for a total cash consideration of RM28,384 (JPY881,500). As a result of the disposal, GJKK ceased to be a subsidiary of the Company.

Effect of the disposal on the financial position of the Group

	2023 RM
Trade and other receivables	55,540
Other assets	2,126
Cash and cash equivalents	162,145
Borrowings	(161,000)
Other payables	(10,882)
Tax payables	(2,898)
Non-controlling interests	(18,012)
Translation reserve	(86,097)
Net liabilities	(59,078)
Gain on disposal of subsidiary	87,462
Consideration received, satisfied in cash	28,384
Cash and cash equivalents disposed of	(162,145)
Net cash outflow	(133,761)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income tax expense on continuing operations	5,829,730	2,025,353	1,894,607	1,772,105
Current tax expense				
Malaysia - current year	230,964	321,220	230,964	321,220
- prior year	(305)	(51,002)	(305)	(51,002)
Overseas - current year	1,864,926	1,772,357	1,613,295	1,519,109
Total current tax recognised in profit or loss	2,095,585	2,042,575	1,843,954	1,789,327
Deferred tax expense				
Origination and reversal of temporary difference	3,731,262	(17,035)	47,770	(17,035)
Under/(Over) provision in prior year	2,883	(187)	2,883	(187)
Total tax expense	5,829,730	2,025,353	1,894,607	1,772,105
Reconciliation of tax expense				
Profit for the year	35,486,548	23,574,087	38,437,054	19,205,199
Total tax expense	5,829,730	2,025,353	1,894,607	1,772,105
Share of profit of equity-accounted associates, and net of tax	(13,439,997)	(14,651,077)	-	-
Adjusted profit before tax	27,876,281	10,948,363	40,331,661	20,977,304
Tax calculated using Malaysian tax rate of 24% (2021: 24%)	6,690,307	2,627,607	9,679,599	5,034,553
Effect of tax rates in foreign jurisdictions*	(205,880)	(209,086)	-	-
Effect of deferred tax assets not recognised	2,822	33,679	-	-
Non-taxable income	(7,114,270)	(3,064,363)	(10,330,662)	(5,668,495)
Non-deductible expenses	908,706	922,380	929,797	938,127
Taxes arising from foreign jurisdictions	1,861,975	1,766,325	1,613,295	1,519,109
Taxes arising from undistributed profits of a foreign associate	3,683,492	-	-	-
	5,827,152	2,076,542	1,892,029	1,823,294
Under/(Over) provided in prior year	2,578	(51,189)	2,578	(51,189)
Tax expense	5,829,730	2,025,353	1,894,607	1,772,105

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. PROFIT FOR THE YEAR

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Profit for the year is arrived at after charging/ (crediting):					
Auditors' remuneration					
- Audit fees					
KPMG PLT		220,000	205,000	210,000	195,000
Other auditors		20,107	19,448	-	-
- Non-audit fees					
KPMG PLT		10,000	8,000	10,000	8,000
Overseas affiliates of KPMG PLT		41,018	40,660	41,018	40,660
Material expenses/ (income)					
Depreciation of property and equipment	3	28,342	41,924	25,961	36,683
Depreciation of right-of-use assets	4	61,732	59,109	-	-
Gain on disposal of investment in an associate		(18,473,774)	(5,032,597)	(21,040,668)	(5,636,968)
Gain on disposal of a subsidiary		(87,462)	-	(28,384)	-
Impairment loss on amounts due from subsidiaries		-	-	339,268	311,737
Net realised foreign exchange gain		(555,762)	(1,112,329)	(579,604)	(868,148)
Net unrealised foreign exchange (gain)/loss		(619,498)	81,402	(851,830)	(124,640)
Net change in fair value gain of investment properties		(412,000)	-	(412,000)	-
Expenses arising from leases					
Expenses relating to leases of low value assets	a	<u>2,160</u>	<u>2,160</u>	<u>2,160</u>	<u>2,160</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. OTHER COMPREHENSIVE INCOME

Group	Before tax RM	2023 Tax expense RM	Net of tax RM
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments designated at fair value through other comprehensive income			
- Loss on price change	(16,868,741)	(1,600,255)	(18,468,996)
- Gain on exchange differences	5,495,953	(2,347,322)	3,148,631
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	1,077,951	-	1,077,951
	(10,294,837)	(3,947,577)	(14,242,414)
Share of gain of equity-accounted associates			109,358
			(14,133,056)
Company			
	Before tax RM	2023 Tax expense RM	Net of tax RM
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			
- Gain on price change	6,829,042	(1,600,255)	5,228,787
- Loss on exchange differences	1,340,021	(2,347,322)	(1,007,301)
	8,169,063	(3,947,577)	4,221,486

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. OTHER COMPREHENSIVE INCOME (CONTINUED)

Group	Before tax RM	2022 Tax expense RM	Net of tax RM
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments designated at fair value through other comprehensive income			
- Loss on price change	(11,775,168)	-	(11,775,168)
- Gain on exchange differences	3,642,996	-	3,642,996
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(7,292,612)	-	(7,292,612)
	(15,424,784)	-	(15,424,784)
Share of gain of equity-accounted associates			389,078
			(15,035,706)
Company			
	Before tax RM	2022 Tax expense RM	Net of tax RM
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments designated at fair value through other comprehensive income			
- Loss on price change	(639,022)	-	(639,022)
- Gain on exchange differences	1,797,558	-	1,797,558
	1,158,536	-	1,158,536

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 31 December 2023 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2023 RM	2022 RM
Profit for the year attributable to owners of the Company	<u>35,490,701</u>	<u>23,572,972</u>
Weighted average number of ordinary shares	<u>132,029,700</u>	<u>132,029,700</u>
Basic earnings per ordinary share (sen)	<u>26.88</u>	<u>17.85</u>

Diluted earnings per ordinary share

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

24. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2023			
Final 2022 single tier	6.0 per share	<u>7,921,957</u>	25 July 2023
2022			
Final 2021 single tier	3.5 per share	<u>4,621,214</u>	27 July 2022

The Directors recommend the payment of a final single tier dividend of 6.5 sen per ordinary share amounting to RM8,581,931 in respect of the financial year ended 31 December 2023. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2023, 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.

25. 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

* The reporting on the performance of contract staffing ceased on 1 July 2023, following the Company's disposal of a 60% equity interest in Greenfield Japan Kabushiki Kaisha on 30 June 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. OPERATING SEGMENTS (CONTINUED)

2023	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	1,332,684	200,707	-	1,533,391
Inter-segment revenue	4,585	-	(4,585)	-
Dividends	20,763,981	-	(12,900,420)	7,863,561
Interest income	1,496,601	-	-	1,496,601
Investment distribution income	14,707	-	-	14,707
Revenue for the year	23,612,558	200,707	(12,905,005)	10,908,260
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	20,678,567	(152,114)	(13,079,688)	7,446,765
Interest expense	(10,899)	(350)	-	(11,249)
Gain on changes in fair value of investment properties	412,000	-	-	412,000
Gain on financial assets classified as fair value through profit or loss	1,467,529	-	-	1,467,529
Gain on disposal of investment in an associate	18,473,774	-	-	18,473,774
Gain on disposal of a subsidiary	87,462	-	-	87,462
Impairment loss on amounts due from subsidiaries	339,268	-	(339,268)	-
Share of profit of equity accounted associates	13,439,997	-	-	13,439,997
Profit before tax	54,887,698	(152,464)	(13,418,956)	41,316,278
Income tax expense	(5,826,779)	(2,951)	-	(5,829,730)
Profit for the year	49,060,919	(155,415)	(13,418,956)	35,486,548
Segment assets	474,810,419	156,334	(103,311,420)	371,655,333
<i>Included in the measure of segment assets are:</i>				
Investments in associates	114,227,340	-	-	114,227,340
Non-current assets other than financial instruments and deferred tax assets	18,083,694	2	-	18,083,696
Additions to non-current assets other than financial instruments and deferred tax assets	18,020	-	-	18,020
Other segment information				
Depreciation of property and equipment	28,342	-	-	28,342
Depreciation of right-of-use assets	61,732	-	-	61,732

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. 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
<i>Included in the measure of segment assets are:</i>				
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

26. FINANCIAL INSTRUMENTS

26.1 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
2023				
Financial assets				
Group				
Other investments	164,217,269	-	35,502,426	128,714,843
Trade and other receivables	13,387	13,387	-	-
Other assets	71,838	71,838	-	-
Cash and cash equivalents	74,067,862	74,067,862	-	-
	238,370,356	74,153,087	35,502,426	128,714,843
Company				
Other investments	98,662,154	-	34,621,391	64,040,763
Trade and other receivables	32,529	32,529	-	-
Other assets	58,090	58,090	-	-
Cash and cash equivalents	63,292,747	63,292,747	-	-
	162,045,520	63,383,366	34,621,391	64,040,763
2023				
Financial liabilities				
Group				
Other payables (excluding deferred income)			1,574,914	1,574,914
Company				
Other payables (excluding deferred income)			1,443,962	1,443,962

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

	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
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

26. FINANCIAL INSTRUMENTS (CONTINUED)**26.2 Net gains and losses arising from financial instruments**

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Net gains/(losses) on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	1,482,236	518,652	1,426,121	518,652
Equity instruments designated at fair value through other comprehensive income	(7,456,803)	(970,402)	9,052,990	5,268,132
Financial assets at amortised cost	2,671,861	1,691,150	2,398,484	1,350,727
Financial liabilities at amortised cost	(350)	(720)	-	-
	<u>(3,303,056)</u>	<u>1,238,680</u>	<u>12,877,595</u>	<u>7,137,511</u>

26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

26.4 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 and advances to subsidiaries. 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.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 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	
	2023 RM	2022 RM
Others	-	49,929

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:

	Gross- carrying amount RM	Loss allowances RM	Net balance RM
Group 2023			
Not past due	-	-	-
2022			
Not past due	49,929	-	49,929

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.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 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 an inter-company balances 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
2023			
Credit impaired	7,048,511	(7,048,511)	-
2022			
Credit impaired	6,709,243	(6,709,243)	-

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 2022	6,397,506
Net remeasurement of loss allowance	311,737
Balance at 31 December 2022/1 January 2023	6,709,243
Net remeasurement of loss allowance	339,268
Balance at 31 December 2023	7,048,511

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 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.

26.5 Liquidity risk

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

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

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

Maturity analysis

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

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Within 1 year RM
2023				
Group				
Lease liabilities	38,828	11.00	43,099	43,099
Other payables	1,574,914		1,574,914	1,574,914
	<u>1,613,742</u>		<u>1,618,013</u>	<u>1,618,013</u>
Company				
Other payables	<u>1,443,962</u>		<u>1,443,962</u>	<u>1,443,962</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 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
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	-	-	-
	<u>1,755,032</u>		<u>1,769,584</u>	<u>1,570,192</u>	<u>53,405</u>	<u>51,149</u>	<u>94,838</u>
Company							
Other payables	<u>1,358,404</u>	-	<u>1,358,404</u>	<u>1,358,404</u>	-	-	-

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 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.

26.6.1 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"), Euro Dollar ("EUR"), Pound Sterling ("GBP") and Vietnam Dong ("VND"). 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Other investments held in:				
USD	4,865,077	8,533,351	4,380,597	4,132,844
HKD	86,882,708	83,967,736	35,831,633	28,986,306
AUD	4,402,633	16,233,019	-	-
EUR	4,378,293	4,427,010	-	-
GBP	881,035	-	-	-
	<u>101,409,746</u>	<u>113,161,116</u>	<u>40,212,230</u>	<u>33,119,150</u>
Cash and cash equivalents and deposits with licensed banks with original maturities more than 3 months held in:				
USD	28,590,961	6,350,544	27,962,273	5,809,240
HKD	11,186,264	4,356,680	4,775,378	569,933
SGD	28,160,667	5,847,447	28,160,666	5,847,447
AUD	65,192	54,755	-	-
TWD	157,625	65,441	157,625	65,441
EUR	11,355	8,336	-	-
VND	264	-	-	-
	<u>68,172,328</u>	<u>16,683,203</u>	<u>61,055,942</u>	<u>12,292,061</u>
Exposure in the statements of financial position	<u>169,582,074</u>	<u>129,844,319</u>	<u>101,268,172</u>	<u>45,411,211</u>

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.1 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% (2022: 10%) strengthening of the RM against the USD, HKD, SGD, AUD, TWD, EUR, GBP and VND 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.

	2023		2022	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
<i>USD</i>	(486,508)	(2,859,096)	(853,335)	(635,054)
<i>HKD</i>	(8,688,271)	(1,118,626)	(8,396,774)	(435,668)
<i>SGD</i>	-	(2,816,067)	-	(584,745)
<i>AUD</i>	(440,263)	(6,519)	(1,623,302)	(5,476)
<i>TWD</i>	-	(15,762)	-	(6,544)
<i>EUR</i>	(437,829)	(1,136)	(442,701)	(834)
<i>GBP</i>	(88,104)	-	-	-
<i>VND</i>	-	(26)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
<i>USD</i>	(438,060)	(2,796,227)	(413,284)	(580,924)
<i>HKD</i>	(3,583,163)	(477,538)	(2,898,631)	(56,993)
<i>SGD</i>	-	(2,816,067)	-	(584,745)
<i>TWD</i>	-	(15,763)	-	(6,544)
	<hr/>	<hr/>	<hr/>	<hr/>

A 10% (2022: 10%) weakening of RM against the USD, HKD, SGD, AUD, TWD, EUR, GBP and VND at the end of the reporting period would have had equal but opposite effect on the USD, HKD, SGD, AUD, TWD, EUR, GBP and VND to the amounts shown above, on the basis that all other variables remained constant.

26.6.2 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.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.2 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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets				
Deposits with licensed banks with original maturities:				
- more than 3 months	-	20,621,074	-	20,621,074
- 3 months or less	42,742,023	7,023,600	33,655,092	7,023,600
Financial liabilities				
Borrowings	-	(166,500)	-	-
	<u>42,742,023</u>	<u>27,478,174</u>	<u>33,655,092</u>	<u>27,644,674</u>

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.

26.6.3 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, the Netherlands and Hong Kong.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.3 Other price risk (continued)

Equity price risk sensitivity analysis

A 10% (2022: 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:

	2023		2022	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
Long term other investments	12,871,484	-	13,712,679	-
Short term other investments	-	3,550,243	-	2,238,480
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
Long term other investments	6,404,076	-	5,228,790	-
Short term other investments	-	3,462,139	-	2,238,480
	<hr/>	<hr/>	<hr/>	<hr/>

A 10% (2022: 10%) weakening in the abovementioned stock exchanges and financial markets would have had equal but opposite effect on equity and profit or loss respectively.

26.7 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 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 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2023 Group										
Financial assets										
Investments in quoted instruments	123,849,766	-	-	123,849,766	-	-	-	-	123,849,766	123,849,766
Investments in unquoted instruments	-	-	4,865,077	4,865,077	-	-	-	-	4,865,077	4,865,077
	<u>123,849,766</u>	<u>-</u>	<u>4,865,077</u>	<u>128,714,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,714,843</u>	<u>128,714,843</u>
Company										
Financial assets										
Investments in quoted instruments	59,660,166	-	-	59,660,166	-	-	-	-	59,660,166	59,660,166
Investments in unquoted instruments	-	-	4,380,597	4,380,597	-	-	-	-	4,380,597	4,380,597
	<u>59,660,166</u>	<u>-</u>	<u>4,380,597</u>	<u>64,040,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,040,763</u>	<u>64,040,763</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 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 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2022 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

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

26.7.1 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 (2022: no transfer in either direction).

Level 3 fair value

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

In current year, the fair values of investments in unquoted instruments are based on the adjusted revenue multiple derived from the market capitalisation of the investee's comparable entities with its forecasted revenue and the adjusted net asset by reference to the fair value of the assets and liabilities of the investee.

In previous year, the fair values of investments in unquoted instruments were 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.

26.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

27. 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 principal form of capital is share capital and when necessary, borrowings as included in the statement of financial position.

There was no change in the Group's approach to capital management during the year.

28. CAPITAL COMMITMENTS

	Group and Company	
	2023	2022
	RM	RM
Investment in unquoted shares		
Contracted but not provided for:	304,318	291,081
	<u>304,318</u>	<u>291,081</u>

29. RELATED PARTIES

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 17), are as follows:

	Transactions value year	
	ended 31 December	
	2023	2022
	RM	RM
Company		
Subsidiaries		
Rental income	(4,585)	(4,200)
	<u>(4,585)</u>	<u>(4,200)</u>

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 67 to 118 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting 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 2023 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: 26 April 2024

STATUTORY DECLARATION

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

I, **Gregory Charles Poarch**, being the officer primarily responsible for the financial management of JcbNext Berhad, do solemnly and sincerely declare that the financial statements set out on pages 67 to 118 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Gregory Charles Poarch, NRIC: 651226-91-5027, at Kuala Lumpur in the Federal Territory on 26 April 2024.

.....
Gregory Charles Poarch

Before me:

Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JcbNext Berhad, which comprise the statement of financial position as at 31 December 2023 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 material accounting policy information, as set out on pages 67 to 118.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 7 – Investments in associates.

The key audit matter

The Group owns 18.65% 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 2023 was RM13,671,019 and with carrying amounts of RM101,065,119. This associate has contributed approximately 27.91% 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.

Key Audit Matters (continued)

Investment in an associate (continued)

The key audit matter (continued)

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

How the matter was addressed in our audit

We have performed the following audit procedures, among others:

- We reviewed management's assessment on the classification of investment in 104C as an associate and apply the equity accounting appropriately.
- 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, IFRS Accounting 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.

Responsibilities of the Directors for the Financial Statements (continued)

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.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other 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

Petaling Jaya

Date: 26 April 2024

Lee Yee Keng
Approval Number: 02880/04/2025 J
Chartered Accountant

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Carrying Value as at 31.12.2023 (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	33	3,917	Freehold	18,000,000	6.12.2005

ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

Total Number of Issued Shares	:	132,029,700.00 (inclusive of 178,000 treasury shares)
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	%#
1 - 99	286	18.83	12,014	0.01
100 – 1,000	502	33.05	277,649	0.21
1,001 – 10,000	494	32.52	2,003,284	1.52
10,001 – 100,000	172	11.32	5,859,502	4.45
100,001 to 6,592,584 ^[1]	61	4.02	34,033,783	25.81
6,592,585 and above ^[2]	4	0.26	89,665,468	68.00
Total	1,519	100.00	131,851,700	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 27 March 2024 which was subsequently captured in the Record of Depository ("ROD") dated 29 March 2024.

Excludes 178,000 ordinary shares bought back by the Company and held as treasury shares based on the ROD dated 29 March 2024.

^[1] Less than 5% of issued shares

^[2] 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

(As per register of substantial shareholders)

Name	No. of Shares Held			
	Direct	%#	Indirect	%#
Chang Mun Kee	70,229,494	53.26	⁽¹⁾ 7,435,900	5.64
Koo Tun Kit Betty	12,000,074	9.10	⁽²⁾ 200,626	0.15
Wong Siew Hui	200,626	0.15	⁽³⁾ 12,000,074	9.10

(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 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 of the Companies Act 2016.

Excludes 178,000 ordinary shares bought back by the Company and held as treasury shares based on the ROD dated 29 March 2024.

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

DIRECTORS' SHAREHOLDINGS

(As per register of directors' shareholdings)

Name of Directors	No. of Shares Held			
	Direct	%#	Indirect	%#
Datuk Ali bin Abdul Kadir	740,000	0.56	-	-
Teo Koon Hong	-	-	-	-
Lim Chao Li	1,000,000	0.76	-	-
Tan Beng Ling	-	-	-	-
Wong Siew Hui	200,626	0.15	(1) 12,000,074	9.10

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

Excludes 178,000 ordinary shares bought back by the Company and held as treasury shares based on the ROD dated 29 March 2024.

30 LARGEST SHAREHOLDERS *

Name	No. of Shares Held	%#
1. AMSEC Nominees (Tempatan) Sdn Bhd <i>Ambank (M) Berhad for Chang Mun Kee (5032-1101)</i>	57,309,344	43.47
2. HSBC Nominees (Tempatan) Sdn Bhd <i>BJB SG for Chang Mun Kee</i>	12,920,150	9.80
3. Koo Tun Kit Betty	12,000,074	9.10
4. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)</i>	7,435,900	5.64
5. Suresh A/L Thirugnanam	4,226,164	3.21
6. CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Exempt AN for CGS International Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	3,421,870	2.60
7. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For UBS AG Singapore (Foreign)</i>	2,980,300	2.26
8. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)</i>	2,401,900	1.82
9. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Kuan Gin</i>	2,129,900	1.62
10. CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt AN for DBS Bank Ltd (SFS)</i>	1,386,000	1.05
11. Lim Kuan Gin	1,385,800	1.05
12. Lim Gaik Bway @ Lim Chiew Ah	1,232,900	0.94
13. Lim Chao Li	1,000,000	0.76
14. Yeoh Liew Se	1,000,000	0.76

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

30 LARGEST SHAREHOLDERS * (CONTINUED)

Name	No. of Shares Held	%#
15. IFAST Nominees (Tempatan) Sdn Bhd <i>Lee Sau Eng</i>	915,600	0.69
16. Yew Kok Onn	655,300	0.50
17. Ng Kay Ian	651,558	0.49
18. AmBank (M) Berhad <i>Pledged Securities Account for Ali bin Abdul Kadir (Smart)</i>	592,000	0.45
19. TMF Trustees Malaysia Berhad <i>JPOS Trust</i>	506,000	0.38
20. Yeoh Phaik Seok	494,800	0.38
21. Chong Ah Suan	450,000	0.34
22. HSBC Nominees (Asing) Sdn Bhd <i>Quintet Luxembourg For Samarang Ucits - Samarang Asian Prosperity</i>	416,800	0.32
23. Tay Kok Choon	407,258	0.31
24. Affin Hwang Nominees (Asing) Sdn Bhd <i>DBS Vickers Secs (S) Pte Ltd for GF Capital Global Limited</i>	364,320	0.28
25. Wong You Fatt	333,200	0.25
26. Leong Wai Kong	330,000	0.25
27. Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd For Liong Wei Li</i>	285,500	0.22
28. Ling Hua Wei	281,831	0.21
29. Tan Beng Kheng	281,582	0.21
30. Chook Yuh Yng	260,300	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 27 March 2024 which was subsequently captured in the ROD dated 29 March 2024.

Excludes 178,000 ordinary shares bought back by the Company and held as treasury shares based on the ROD dated 29 March 2024.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth (“20th”) 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 Thursday, 20 June 2024 at 10.30 a.m. for the following purposes:

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 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 6.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2023.

Ordinary Resolution 1

3. To approve the Directors’ Fees up to an aggregate amount of RM316,000 for the financial year ending 31 December 2024 and Benefits Payable to Non-Executive Directors up to an aggregate amount of RM28,000 for the period from the 20th AGM until the next AGM of the Company in year 2025 and the payment thereof.

Ordinary Resolution 2

(Please refer to Note 2 of the Explanatory Notes)

4. To re-elect the following Directors who are retiring pursuant to Clause 96 of the Constitution of the Company:

- (i) Mr Teo Koon Hong
- (ii) Mr Lim Chao Li

Ordinary Resolution 3

Ordinary Resolution 4

(Please refer to Note 3 of the Explanatory Notes)

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

Ordinary Resolution 5

(Please refer to Note 4 of the Explanatory Notes)

As Special Business

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

6. **Authority for Mr Teo Koon Hong to continue in office as Senior Independent Non-Executive Director**

“THAT authority be and is hereby given to Mr Teo Koon Hong who has served as an Independent Non-Executive Director of the Company since 25 June 2015 and will reach nine (9) years of service on 24 June 2024, to continue to act as Senior Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance.”

Ordinary Resolution 6

(Please refer to Note 5 of the Explanatory Notes)

7. **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 Constitution of

the Company and 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 7

(Please refer to Note 6 of the Explanatory Notes)

8. 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 audited retained profits of the Company as at 31 December 2023. Based on the audited financial statements of the Company for the financial year ended 31 December 2023, the audited retained profits of the Company stood at approximately RM131.49 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 an 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/or 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 deal 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 8

(Please refer to Note 7 of the Explanatory Notes)

9. 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 20th AGM to be held on Thursday, 20 June 2024, a Final Dividend of 6.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2023 will be paid to shareholders on 25 July 2024. The entitlement date for the said dividend shall be on 4 July 2024.

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 2024 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: 30 April 2024

NOTES:

1. The 20th 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 20th AGM to register, participate and vote (collectively, “**participate**”) remotely via the RPEV facilities. The Administrative Details of the 20th AGM 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 **12 June 2024** 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 or 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 20th 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 20th 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 20th 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 20th 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 20th 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

Based on the recommendation from the Remuneration Committee, the Board approved the proposed Directors’ Fees of RM316,000.00 for the financial year ending 31 December 2024 for the shareholders’ approval at the forthcoming 20th AGM of the Company. The amount of Directors’ Fee payable includes fee payable to Directors as a member of Board and Board Committees.

The amount of Directors’ benefits payable to Non-Executive Directors up to an aggregate amount of RM28,000.00 comprises meeting allowances from this 20th AGM until the conclusion of the next AGM of the Company in year 2025 pursuant to the Act which shareholders’ approval will be sought at this 20th 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 Directors’ Fees and benefits payable from the Company, the Non-Executive Directors do not receive any Directors’ Fee and benefits payable from any of the subsidiaries within the JcbNext Group.

The Executive Director does 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 20th 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 Resolutions 3 - 4 – Re-election of Directors

The performance of Mr Teo Koon Hong (“**Mr Teo**”) and Mr Lim Chao Li 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 20th 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 3 - 4 are set out in the Board’s profile of the Annual Report 2023.

4. Ordinary Resolution 5 – 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 2024. 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.

5. Ordinary Resolution 6 – Authority for Mr Teo Koon Hong to continue in office as Senior Independent Non-Executive Director

Mr Teo was appointed as an Independent Non-Executive Director of the Company on 25 June 2015 and will reach nine (9) years of service on 24 June 2024. In accordance with the Malaysian Code on Corporate Governance (“MCCG”), the Nomination Committee and the Board, after having assess the independence of Mr Teo, consider him to be independent based on amongst others, the following justifications and therefore recommend that Mr Teo be retained as a Senior Independent Non-Executive Director of the Company:

- a. He has fulfilled the criteria under the definition on Independent Director as stated in Paragraph 1.01 of the Listing Requirements of Bursa Securities as well as the prescribed criteria under the MCCG, and therefore is able to bring independent and objective judgement to the Board;
- b. He actively participates in Board’s and Board Committees’ deliberations and decision making in an objective manner, exercises due care in all undertakings of the Company and its subsidiaries (“Group”) and carried out his fiduciary duties in the interest of the Company;
- c. He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
- d. The Board is of the opinion that he is an important Senior Independent Non-Executive Director in view of his many years on the Board with incumbent knowledge of the Company and the Group’s activities and corporate history and has provided invaluable contributions to the Board in his role as a Senior Independent Non-Executive Director.

Mr Teo has abstained from deliberating on any decision on his own retention as Senior Independent Non-Executive Director at the relevant Nomination Committee and Board meetings.

Pursuant to the MCCG, the Company would adopt a two-tier voting process in seeking shareholders’ approval to retain Mr Teo at the 20th AGM.

The proposed Ordinary Resolution 6, if passed, will allow Mr Teo to continue serve as Senior Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company.

6. Ordinary Resolution 7 – 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 Nineteenth (“19th”) AGM held on 20 June 2023, 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 and this mandate will lapse at the conclusion of the 20th AGM.

Ordinary Resolution 7 proposed under item 7 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 conclusion of the next AGM of the Company.

The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the 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.

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 8 - Proposed Share Buy-Back

The proposed Ordinary Resolution 8 under item 8 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 20th 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 30 April 2024 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 TWENTIETH (“20TH”) ANNUAL GENERAL MEETING (“AGM”)

- Meeting Date : Thursday, 20 June 2024
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 20th AGM by emailing to ir@jcbnext.com no later than 5.00 p.m., Wednesday, 12 June 2024.
2) Post questions to the Board via submission of typed text at <https://meeting.boardroomlimited.my> during live streaming of 20th AGM.

Dear Valued Shareholders,

The Company will conduct its forthcoming 20th 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 20th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 20th AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our fully virtual 20th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

Digital Copies of AGM Documents

- 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:-
 - Annual Report 2023;
 - Corporate Governance Report 2023;
 - Notice of the 20th AGM;
 - Proxy Form;
 - Administrative Details of the 20th AGM; and
 - 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 30 April 2024 (“**Statement to Shareholders**”)
- If you wish to receive a printed black and white copy of the Annual Report 2023, 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 2023 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 2023 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 12 June 2024 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 20th AGM using the RPEV facilities. If you wish to personally participate in this 20th 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 20th AGM on Thursday, 20 June 2024, 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 **Tuesday, 18 June 2024 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**" or email to bsr.helpdesk@boardroomlimited.com 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 20th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the 20th AGM. On revocation, your proxy(ies) will not be allowed to participate in the 20th 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 20th 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 Independent Scrutineer to verify and validate the poll results.
2. During the 20th 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 20th 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)	<p><i>[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]</i></p> <ol style="list-style-type: none"> a. Access website https://investor.boardroomlimited.com b. Click <<Register>> 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)	<p>Registration for remote access will be opened on Tuesday, 30 April 2024 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 20th AGM, i.e. latest by Tuesday, 18 June 2024 at 10.30 a.m.</p> <p>Individual Members</p>

	<p>Submit request for remote participation (User ID and Password) <i>cont'd</i></p>	<p>a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1. above.</p> <p>b. Select “JCBNEXT BERHAD 20TH ANNUAL GENERAL MEETING” from the list of Meetings Event(s) and click “Enter”.</p> <p>c. Click on “Register for RPEV”.</p> <p>d. Enter your CDS Account Number.</p> <p>e. Read and accept the General Terms and Conditions by clicking “Register”.</p> <p>Appointment of Proxy – Individual members</p> <p>a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1. above.</p> <p>b. Select “JCBNEXT BERHAD 20TH ANNUAL GENERAL MEETING” from the list of Meetings Event(s) and click “Enter”.</p> <p>c. Click on “Submit eProxy Form”.</p> <p>d. Select the company you would like to represent (if more than one, for corporate shareholder).</p> <p>e. Read and accept the General Terms and Conditions by clicking “Next”.</p> <p>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).</p> <p>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”.</p> <p>h. Review and confirm your proxy appointment.</p> <p>i. Click “Apply”.</p> <p>j. Download or print the eProxy form as acknowledgement.</p> <p>Corporate Shareholders (via email)</p> <p>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.</p> <p>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.</p> <p>Authorised Nominee and Exempt Authorised Nominee</p> <p>Via Boardroom Smart Investor Portal</p> <p>a. Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above.</p> <p>b. Select “JCBNEXT BERHAD 20TH ANNUAL GENERAL MEETING” from the list of Meetings Event(s) and click “Enter”.</p> <p>c. Click on “Submit eProxy Form”.</p> <p>d. Select the company you would like to represent (if more than one).</p> <p>e. Proceed to download the file format for “Submission of Proxy Form” from Boardroom Smart Investor Portal.</p> <p>f. Prepare the file for the appointment of proxies by inserting the required data.</p> <p>g. Proceed to upload the duly completed proxy appointment file.</p> <p>h. Review and confirm your proxy appointment and click “Submit”.</p> <p>i. Download or print the eProxy form as acknowledgement.</p> <p><i>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.</i></p> <p>Via email</p> <p>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.</p>
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		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 Email notification cont'd	<p>a. You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified.</p> <p>b. Upon verification of your registration against the General Meeting Record of Depositors as at 12 June 2024, you will receive an email from Boardroom either approving or rejecting your registration for remote participation after Tuesday, 18 June 2024.</p> <p>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.</p> <p>d. Please note that the closing date and time to submit your request for remote participation User ID and Password is on Tuesday, 18 June 2024 at 10.30 a.m. (48 hours before the commencement of the 20th AGM).</p>
Procedure		Action
On the day of the AGM		
4.	Login to Meeting Platform	<p>a. The Meeting Platform will be opened for login one (1) hour before the commencement of the 20th AGM at 9.30 a.m. on Thursday, 20 June 2024, which can be accessed via one of the following methods:</p> <ul style="list-style-type: none"> ➤ 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. <p>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.</p>
5.	Participate through Live Streaming	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.]</i></p> <p>a. If you would like to view the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the 20th AGM, select the messaging icon. </p> <p>c. Type your message within the chat box, once completed click the send button.</p>
6.	Online Remote Voting	<p>a. Once the meeting is opened for voting, the polling icon will  appear with the resolutions and your voting choices</p> <p>b. To vote, select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, simply select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
7.	End of Remote Participation	<p>a. Upon the announcement by the Chairman on the closure of the 20th AGM, the live streaming will end.</p> <p>b. You can then log out from the virtual meeting platform.</p>

Pre-Meeting Submission Of Questions

In order to enhance the efficiency of the proceedings of the 20th AGM, the shareholders may submit questions to the Company via e-mail to ir@jcbnext.com **not later than Wednesday, 12 June 2024 at 5:00 p.m.** or via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> **not later than Tuesday, 18 June 2024 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 20th AGM. The shareholders are encouraged to submit questions before the 20th AGM as priority will be given to questions submitted before the 20th AGM.

Recording or Photography At The 20th AGM

Strictly no recording or photography of the 20th AGM proceedings is allowed.

Enquiry

If you have any enquiries prior to the 20th AGM, please contact the following during office hours from Mondays to Fridays (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 IN BLOCK LETTERS)

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

and, Email address: and/or failing him/her,
(NAME IN FULL AND IN 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 Twentieth ("20th") 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 **Thursday, 20 June 2024 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 6.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2023.		
Ordinary Resolution 2	Approval of Directors' Fees for the financial year ending 31 December 2024 and Benefits Payable to the Non-Executive Directors for the period from the 20 th AGM until the next AGM of the Company in year 2025 and the payment thereof.		
Ordinary Resolution 3	Re-election of Mr Teo Koon Hong as Director pursuant to Clause 96 of the Constitution of the Company.		
Ordinary Resolution 4	Re-election of Mr Lim Chao Li as Director pursuant to Clause 96 of the Constitution of the Company.		
Ordinary Resolution 5	Re-appointment of Messrs. KPMG PLT as Auditors of the Company.		
Ordinary Resolution 6	Authority for Mr Teo Koon Hong to continue in office as Senior Independent Non-Executive Director.		
Ordinary Resolution 7	Proposed Renewal of Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 8	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 2024

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

First Proxy	%
Second Proxy	%
Total	<u>100%</u>

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

^ Manner of execution:-

- If you are an individual member, please sign where indicated.
- 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/ Memorandum and Articles of Association of your corporation.
- 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:-
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any Director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

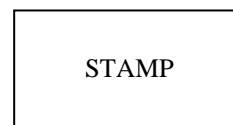
- The 20th AGM of the Company will be conducted entirely on a fully virtual basis where the shareholders are only allowed to participate remotely through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV facilities") facilities via online meeting platform available at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the Administrative Details for the 20th AGM to register, participate and vote (collectively, "participate") remotely via the RPEV facilities. The Administrative Details of the 20th AGM is available for download at https://www.jcbnext.com/?page_id=183.
- In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at **12 June 2024** 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 20th AGM to the Chairman or the Board electronically by email to ir@jcbnext.com no later than Wednesday, 12 June 2024 at 5.00 p.m. or via real time submission of typed texts via RPEV facilities during the live streaming of the 20th 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 appointor or 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 20th 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 20th 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 20th 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 20th 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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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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

-----Please fold here to seal-----

