JcbNext Berhad

Annual Report 2017

CONTENTS

GROUP PERFORMANCE HIGHLIGHTS

Financial Year Ended 31 December	** 2013	** 2014	2015	2016	2017
Operating Results (RM million)					
Revenue	177.7	186.3	6.6	9.2	9.9
Results from operating activities	80.1	86.4	0.6	3.2	(1.2)
Profit before tax	84.8	96.6⌖	26.9	13.3	8.8
Profit after tax	66.0	72.5⌖	25.4	11.4	6.9
Profit attributable to owners of the Company	61.4	69.3⌖	25.6	11.4	6.8
Net cash generated from/(used in) operations	62.9	68.9	(24.8)	(6.4)	(5.8)
Key Balance Sheet Data (RM million)					
Total assets	315.2	300.3	307.3	333.4	337.0
Issued and paid-up share capital	63.5	70.8	70.0	70.0	196.6
Equity attributable to owners of the Company	249.4	275.6	304.7	331.0	335.0
No. of ordinary shares in issuance (no. of shares, million) ^	127.0	141.6	139.9	139.9	139.4
Share Information and Valuation					
Basic earnings per share (sen) ^	48.57	1,447.74α	18.27	8.12	4.88
Diluted earnings per share (sen) ^	47.74	1,447.74α	18.27	8.12	4.88
Net dividend per share (sen) ^	37.50	1,363.25	3.50	2.00	4.50♎
Share price as at 31 December (RM) ^	12.40	2.35	1.98	1.70	1.75
Net dividend yield (%)	3.02	2.45∞	1.77	1.18	2.57
Financial Ratios					
Return on equity (%)	24.63	25.15	8.39	3.43	2.03
Current ratio	2.4	5.7	50.5	57.8	72.1
Net asset value per share (RM) ^	1.96	1.95	2.18	2.37	2.40
Operating margin (%)	45.07	46.39	9.40	34.76	(12.36)
Net profit margin (%)	34.57	37.22⌖	386.31	122.97	68.89

** The results from the Group's continuing operations and discontinued operations are presented separately in the Statement of Profit or Loss and Other Comprehensive Income.

^ The comparatives for the financial year ended 31 December 2013 to 31 December 2014 have been restated to account for the effects of the subdivision of every ordinary share of RM0.20 each into two ordinary shares of RM0.10 each which was completed on 5 September 2013 and the consolidation of every five ordinary shares of RM0.10 each into one ordinary share of RM0.50 each which was completed on 7 May 2015.

♎ Included the proposed final single tier dividend of 4.5 sen per ordinary share which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

⌖ Excluded the gain on disposal of the online job portal business to SEEK Asia Investments Pte. Ltd., net of transaction costs, of RM1,881.22 million.

α Included the gain on disposal of the online job portal business to SEEK Asia Investments Pte. Ltd., net of transaction costs, of RM1,881.22 million.

∞ Excluded the special dividend of RM2.65 per ordinary share of RM0.10 each which was paid on 24 December 2014.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ali bin Abdul Kadir
Independent Non-Executive Chairman

Teo Koon Hong
Independent Non-Executive Director

Chang Mun Kee
Executive Director, Founder & CEO

Lim Chao Li
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Teo Koon Hong
Chairman, Independent Non-Executive Director

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

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

NOMINATION COMMITTEE

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

Teo Koon Hong
Member, Independent Non-Executive Director

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

REMUNERATION COMMITTEE

Teo Koon Hong
Chairman, Independent Non-Executive Director

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

Chang Mun Kee
Executive Director, Founder & CEO

INVESTMENT COMMITTEE

Teo Koon Hong
Independent Non-Executive Director

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

Chang Mun Kee
Executive Director, Founder & CEO

Greg Poarch
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)
Choong Lee Wah (MAICSA 7019418)

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77201188
Fax: 03-77201111

HEAD OFFICE

Wisma JcbNext
No. 27, Lorong Medan Tuanku 1
(Off Jalan Sultan Ismail)
50300 Kuala Lumpur
Tel: 03-21760333
Fax: 03-27111190

REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd (3775-X)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77201188
Fax: 03-77201111

WEBSITE

www.jcbnext.com

CORPORATE STRUCTURE
as at 24 April 2018

JcbNext Berhad

- 100% **Autoworld.com.my Sdn. Bhd.**
- 60% **Greenfield Japan Kabushiki Kaisha**
- 100% **JobStreet.com India Pvt. Limited**
- 100% **JcbNext Pte. Ltd.**
- 100% **JS Overseas Holdings Ltd.**
- 49% **JobStreet Recruitment (Thailand) Co., Ltd.**
- 21.13% **Innity Corporation Berhad**
- 22.98% **104 Corporation (Taiwan)**

PROFILE OF DIRECTORS

Datuk Ali bin Abdul Kadir

Independent Non-Executive Chairman
Malaysian, 69 years of age, Male

Datuk Ali bin Abdul Kadir was appointed to the Board on 1 October 2004. Datuk Ali is Chairman of the Nomination Committee and a member of the Audit and Risk Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales (”ICAEW”), member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants. He is also Honorary Advisor to ICAEW-KL City Chapter, Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK) and the Malaysian Institute of Directors.

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

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

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

Datuk Ali was awarded the Panglima Jasa Negara (PJN) by the Yang di-Pertuan Agong in 2002. In 2012, he was bestowed the Lifetime Achievement Award by ICAEW-KL City Chapter, and the President’s Award by MICPA.

Teo Koon Hong

Independent Non-Executive Director
Singaporean, 68 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 also the Chairman of the Audit and Risk Committee and the Remuneration Committee, and a member of the Nomination 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 (now part of United Technologies Corporation) and served in various positions including as the Regional Finance Director, Asia Pacific; Director of Strategic Planning based in New York; Managing Director of Carrier Singapore and President of Carrier Thailand.

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

Chang Mun Kee

Executive Director, Founder and CEO
Malaysian, 53 years of age, Male

Mr. Chang Mun Kee is an Executive Director and the Chief Executive Officer of the Company. He is also a member of the Remuneration and Investment Committees. Mr. Chang obtained his Bachelor of Science in Mechanical Engineering from the University of Texas, Austin, USA in 1988 and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology, USA in 1990. Prior to founding MOL Online Sdn. Bhd. in 1995 and subsequently JobStreet.com Sdn. Bhd. in 1997, he was with Kendall International, a US healthcare company, for 5 years, starting as a process engineer in 1990 before being promoted to manufacturing manager in 1992 and regional director of sales and marketing for Malaysia in 1994. He left Kendall International in 1996 to establish JobStreet.com Sdn. Bhd. which expanded regionally under his direction. He currently sits on the Boards of Innity Corporation Berhad, Vitrox Corporation Berhad, 104 Corporation, Taiwan and MOL Global Inc.

Lim Chao Li

Non-Independent Non-Executive Director
Malaysian, 52 years of age, Male

Mr. Lim Chao Li is a Non-Executive Director of the Company. He was appointed to the Board of Directors on 1 October 2004 and is a member of the Audit and Risk, Nomination, Remuneration and Investment 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. He is currently with the Hotel Equatorial Group, a family business that is involved in hospitality and property. He is the Chairman of Public Investment 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.

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

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

PROFILE OF SENIOR MANAGEMENT TEAM

Gregory Charles Poarch

Chief Financial Officer
American, 53 years of age, Male

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

Dr. Wong Siew Hui

Chief Technology Officer
Malaysian, 54 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.

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

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

LETTER FROM THE CHAIRMAN

Dear Shareholders,

It is our pleasure, on behalf of the Board of Directors to present the Annual Report and Audited Financial Statements of JcbNext Berhad (“JcbNext” or “the Group”) for the financial year ended 31 December 2017.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2017, the Group recorded profit before tax of RM8.84 million and a profit attributable to shareholders of RM6.82 million. While we saw our revenue grow 7.2% during the financial year to RM9.90 million from RM9.23 million in 2016, our profit was negatively impacted during the year by foreign exchange losses of RM3.74 million predominantly related to the impact of the strengthening Ringgit against our USD and SGD bank deposits. Conversely, our profit in 2016 was positively impacted by unrealised gain on these deposits of RM3.25 million. Even though these SGD and USD deposits have resulted in volatility in our results, we believe it is prudent to maintain these deposits to ensure that we have purchasing power should there be an investment opportunity outside Malaysia during a time of crisis.

Aside from the increase in revenue, we also made progress in controlling our costs during the year with our operating expenses excluding foreign exchange losses decreasing to RM7.40 million in 2017 from RM8.47 million in 2016.

As at 31 December 2017, our total assets stood at RM337.04 million with shareholders’ funds recorded at RM335.04 million (RM2.40 per share), compared with RM333.42 million and RM331.03 million (RM2.37 per share) as at the end of 2016. With liquid cash and short-term investments totalling RM134.47 million, and no debt, we continue to actively search for acquisition opportunities and believe we are positioned well to enter into long-term partnerships when such opportunities eventually arise.

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

DIVIDEND

The Board of Directors is pleased to propose a final single-tier dividend of 4.5 sen per share for the financial year 2017 (2016: 2.0 sen). The proposed dividend is subject to shareholders’ approval at the forthcoming Annual General Meeting.

CORPORATE AND SHAREHOLDER DEVELOPMENTS

While 2017 overall was a relatively quiet year, the Board has continued to try to increase long-term shareholder value through on-going share buy-back activities. During the year, we bought back 207,700 shares and all of the treasury shares including 142,300 shares bought back in previous years have been cancelled at the end of the year as we believe this is the appropriate action from a corporate governance perspective.

At the end of the year, we made a small investment of RM2 million in a company, Nova Pharma Solutions Berhad, which subsequently listed on the LEAP Market on Bursa Malaysia.

GOING FORWARD

The Board and management are committed to try to be patient and disciplined so we can invest only when the right opportunity presents itself at the right price. Our experience along these lines in the past, especially with JobStreet.com, 104 Corporation and Lion Rock Group Limited (“Lion Rock”), has been very fruitful and gives us confidence that this is the right path for us. However, as we believe valuations for good companies are still very high generally, we want to caution you that this process will take time. In the meantime, the Group will depend on the financial performance and dividends from its associates, 104 Corporation in Taiwan and Innity Corporation Berhad, and the performance of Lion Rock in Hong Kong.

You should note that the tenancy for most of the office space in Wisma JcbNext has expired in January 2018 with SEEK Asia relocating to another building where they have approximately double the floor space. We are currently working with multiple agents to source for a new tenant(s). While our building has an excellent location with great access to public transportation, there is an oversupply of office space in the Golden Triangle of Kuala Lumpur now and as such the market for tenants is very competitive.

SUSTAINABILITY

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

APPRECIATION

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

DATUK ALI BIN ABDUL KADIR
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

2017 IN REVIEW

During the year, the Group generated revenue from services, rental of office space, dividends, interest and other investment income. Dividends of RM3.31 million from the Group's quoted investments contributed 33.5% of the Group's revenue. This was followed by investment distribution income of RM2.70 million from the placement of funds into money market unit trust funds which contributed 27.4% of the Group's revenue. Rental income of RM1.76 million from the Group's investment properties contributed 17.8% of the Group's revenue. Interest income from bank deposits amounting to RM1.17 million and revenue from services of RM0.96 million contributed the remaining 11.8% and 9.4% of the Group's revenue respectively.

An analysis of the Group's revenue is as follows:

Group	**2017 RM**	**2016 RM**
Services	960,137	1,486,445
Rental income from investment properties	1,757,453	2,183,216
Dividends from other investments	3,308,018	1,964,756
Investment distribution income	2,701,947	2,208,447
Interest income	1,167,837	1,388,194
	9,895,392	9,231,058

Total revenue had increased by 7.2% in 2017. This was mainly due to higher dividend income of RM3.31 million received from the Group's quoted investments, an increase of 68.4% compared with RM1.96 million received in 2016. The increase in dividend income was due to the receipt of a special dividend of HK$0.015 per share for the financial year ended 31 December 2016 from Lion Rock Group Limited ("Lion Rock") (formerly known as 1010 Printing Group Limited). Total dividend income from Lion Rock amounted to RM2.69 million in 2017 compared with RM1.96 million in 2016. The remainder of dividend income of RM0.62 million were from the underlying investments in quoted shares made through the Group's Equity Portfolio Fund. During the year, the Group continued to receive dividends amounting to RM11.67 million from its associate, 104 Corporation, although such dividends are not accounted as revenue.

Interest income was reclassified as revenue with effect from 1 January 2017 in line with the Company operating predominantly as an investment holding company. Investment distribution income from investments in unit trust money market funds together with interest income totalled RM3.87 million which represented a modest increase of 7.6% compared with RM3.60 million in 2016. The increase was in line with the overall increase in cash and bank balances and short term investments in money market funds of RM134.47 million as at 31 December 2017 compared with RM130.76 million as at the end of 2016.

The Group's rental income from its investment properties decreased by 19.5% to RM1.76 million in 2017. The decrease was mainly due to lower ancillary income from the provision of air-conditioning to the tenant of Wisma JcbNext (previously known as Wisma JobStreet.com). In January 2018, the tenancy agreements for the office space in Wisma JcbNext have expired and were not renewed. The tenant, who is the operator of the JobStreet.com business, has relocated to another premise. The lease for the Group's two-storey shoplot office in Johor to the operator of the JobStreet.com business is still ongoing. The Group has engaged the services of real estate agents to procure new tenants for Wisma JcbNext. Although it is challenging to procure new tenants under the current office space market conditions, we believe the prominent location of Wisma JcbNext with Jalan Sultan Ismail frontage and proximity to the KL Monorail and LRT stations, may be desirable factors for prospective tenants.

In terms of services, the Group derives revenue predominantly through its subsidiary in Japan which provides contract staffing consulting services on a small scale. The Group did not invest to expand the automotive classifieds and advertising services business via the Autoworld website in 2017 but nevertheless, the Group continued to update the website with automotive related content in an effort to increase traffic.

The Group's operating expenses had increased 31.4% from RM8.47 million in 2016 to RM11.13 million in 2017. The increase was largely due to unrealised foreign exchange losses on the Group's holding of foreign currencies namely USD and SGD bank deposits which we will discuss in more detail below. Excluding the foreign exchange losses, operating expenses in general have decreased 12.7% year-on-year in 2017. The decrease was mainly due to overprovision of bonuses in 2016 which was reversed in 2017 and lower staff costs in the Group's subsidiary, Autoworld.com.my Sdn Bhd. In addition, operating expenses in 2016 had included the cost of support services provided by SEEK Asia to the Group amounting to RM0.37 million. The provision of these support services had ceased mid 2016.

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

Group	**2017** **RM**	**2016** **RM**
Foreign exchange losses	3,737,372	-
Professional fees	917,964	886,749
Utilities	321,853	318,253
Office expenses	250,981	219,417
Directors' fees	213,000	218,833
Security costs	126,528	100,138
Staff benefits	78,014	132,965
Quit rent and assessments	66,399	66,923
Insurance	39,495	37,669
Telecommunication	29,664	26,301
Travelling	64,500	167,872
Support services	-	370,100
Miscellaneous	184,506	(2,836)
	6,030,276	2,542,384

The foreign exchange loss of RM3.74 million in 2017 was predominantly unrealised foreign exchange losses on the Group's USD and SGD denominated bank deposits. The Group had USD7.60 million in bank deposits as at 31 December 2016 and as the Ringgit weakened from USD1:RM4.077 at the beginning of September 2016 to USD1:RM4.486 at the end of December 2016, the Group recorded a substantial unrealised foreign exchange gain of RM3.51 million in 2016 (included as part of Other Operating Income of RM2.45 million). In the current financial year, the Group had reduced its USD holdings to USD4.32 million and increased its SGD holdings to SGD8.32 million, of which SGD2.25 million is capitalised in JcbNext Pte Ltd. The year 2017 began with the Ringgit strengthening to USD1:RM4.427 in January and it continued to strengthen throughout the year before ending the year at USD1:RM4.059. Consequently, the substantial unrealised foreign exchange gain that was recorded in 2016 began to unwind in 2017 resulting in the Group recording unrealised foreign exchange losses of

RM3.81 million in 2017. This explains the impact of foreign exchange on our financial results in 2016 and 2017.

The Group continued to rely a great deal on our associates, primarily 104 Corporation, to contribute to the Group's earnings in 2017. To recap, 104 Corporation is principally involved in the online job portal business and also provides executive search and HR consultancy services in Taiwan. Our share of profit from 104 Corporation in 2017 amounted to RM10.32 million, down 12.3% from RM11.77 million in the preceding year. On the back of a modest GDP growth of 2.84% in Taiwan, 104 Corporation's revenue grew 5.9% year-on-year to NT$1.54 billion compared with NT$1.45 billion in 2016. Despite the growth in revenue, 104 Corporation's net profit attributable to shareholders decreased by 20.1% year on year to NT$318.12 million compared with NT$398.37 million a year ago. This was because in 2016, the company had benefited from the recognition of a tax credit of NT$43.14 million for the loss arising from the liquidation of a subsidiary in 2014 and a gain of NT$38.77 million from the disposal of its temporary staffing business. The balance sheet of 104 Corporation remains solid with cash holdings of NT$2.04 billion at the end of 2017. 104 Corporation has recently announced a dividend of NT$9.60 per ordinary share representing 100% of their net profit attributable to shareholders for the 2017 financial year, which will be paid out after the company's AGM on 30 May 2018.

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 has an established presence in Malaysia, Hong Kong/China, Indonesia, Philippines, Singapore, Taiwan, Thailand, South Korea, Myanmar, Cambodia and Vietnam. Innity posted revenue growth of 6.2% year-on-year to RM101.62 million in 2017 compared with RM95.65 million in 2016. The increase in revenue was mainly contributed by its operations in Malaysia, Singapore and Taiwan. Despite the growth in revenue, Innity's PBT decreased by 68.2% to RM2.16 million compared with RM6.79 million in 2016 as its operating expenses had increased by 20.5% to RM44.67 million in 2017 compared with RM37.08 million in the previous year. The higher operating expenses in 2017 were mainly due to investment costs as they seek to grow the online advertising market and take market share. These investment costs include higher staff costs, additional marketing and sales resources incurred on expanding core product offerings and market share, allowance for doubtful debts and the impact of unfavourable exchange rate movements on its Malaysian operations. As a result of the lower profit posted by Innity, our share of profit from the associate had also decreased by 72.1% to RM0.26 million in 2017 from RM0.92 million in the preceding year.

The financial performance of the Group in 2017 was further negatively impacted by a decrease in the fair value of the Group's investments which are classified as "fair value through profit or loss" of RM0.41 million. The decrease was mainly in respect of the Group's investment in Asiatravel.com Holdings Ltd ("Asiatravel"). In addition, following the annual valuation exercise, the fair value of Wisma JcbNext was reduced by RM0.30 million in part due to the vacant status of the property.

Overall, the Group's net profit attributable to shareholders for 2017 amounted to RM6.82 million, representing a substantial fall of 60.0% from RM11.35 million in 2016. As highlighted earlier, this was primarily due to unrealised foreign exchange losses on the Group's USD and SGD bank deposits as well as the decrease in share of profits from 104 Corporation and Innity. The net profit at the Company level benefited from the reversal of impairment of RM6.08 million on loans given to its wholly-owned subsidiary, JcbNext Pte. Ltd. However, this reversal is eliminated at the Group level and did not have any impact to the net profit of the Group. As the Group's 2017 financial performance indicates, the Group is sensitive to external factors and dependent on the performance of its associates. Earnings per share amounted to approximately 4.88 sen per share. The Board has recommended the payment of a final dividend of 4.5 sen per ordinary share to be paid after the AGM.

Despite the volatility in our P&L, our financial position remains strong with net assets of RM335.04 million as at 31 December 2017, up slightly from RM331.03 million at the end of the previous year. On a per share basis, this translates to RM2.40 per share with the Company's share quoted at a price of RM1.75 as at 31 December 2017.

OVERVIEW OF INVESTMENTS AND CASH RESERVES

The Group's investments and cash reserves comprise of:

Group	**2017 RM**	**2016 RM**
Investments in associates		
- 104 Corporation	109,620,767	112,737,062
- Innity	12,202,865	12,427,776
	121,823,632	125,164,838
Available-for-sale investments		
- Lion Rock (formerly known as 1010 Printing)	44,441,344	42,245,532
- Asiatravel	812,174	1,149,923
- Equity Portfolio Fund	11,037,213	12,153,064
- Unquoted investments	2,900,406	251,510
	59,191,137	55,800,029
Financial assets at fair value through profit or loss		
- Money market unit trust funds	48,580,485	94,379,859
Cash reserves		
- USD	17,482,492	34,083,575
- HKD	47,931	6,039
- SGD	25,266,575	459,497
- RM	42,971,277	1,517,858
- Others	116,716	310,160
	85,884,991	36,377,129
	315,480,245	311,721,855

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 marginally by 2.7% in 2017 to RM121.82 million, due to the strengthening of the Ringgit on the translation of our investment in 104 Corporation and the increase in dividends from 104 Corporation. Against the Taiwan dollar, the Ringgit had strengthened from TWD1:RM0.1392 as at end 2016 to TWD1:RM0.1368 as at end 2017 and this resulted in a decrease of RM1.89 million in the carrying value of 104 Corporation on our balance sheet. In addition, while the share of profit from 104 Corporation for 2017 amounted to RM10.32 million, the dividend received from 104 Corporation during 2017 amounted to RM11.67 million. Although it does not benefit the Group's bottom line, the dividend from 104 Corporation provides liquidity for the Group to fund its annual working capital requirement without having to tap into the Group's reserves set aside for future investments. This is apparent from the Group's statements of cash flows for 2017 which shows that the dividends it receives from 104 Corporation and Lion Rock totalling RM14.97 million being more than sufficient to cover the RM5.76 million working capital utilised in 2017.

The largest investment under the AFS category is Lion Rock with a carrying value of RM44.44 million. Lion Rock is principally involved in the provision of printing services to international book publishers, trade, professional and educational conglomerates and print media companies. This is a stock that the Group accumulated from 2011 to 2013, investing a total of RM3.0 million. However, in 2014, Cinderella Media Group Ltd which used to be the parent company of Lion Rock, 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 increased by an additional 36.5 million shares in 2014. Lion Rock's revenue for the year ended 31 December 2017 decreased by 2% to HK$1,582.7 million from HK$1,615.8 million in the previous year. The decrease in revenue was a result of the decrease in sales orders received and the disposal of its outdoor printing business by a subsidiary in 2016. However, the decrease was mitigated by revenue contributed by Regent Publishing Services Limited, a 75%-owned subsidiary which was acquired in March 2017. The challenge faced by the Lion Rock Group in 2017 was an increase in paper costs and price war started by two major industry players. The group's ability to source paper from mills outside China helped to mitigate some of the margin erosion. Despite these challenges and notwithstanding that Lion Rock recorded a gain on disposal of a subsidiary amounting to HK$27.58 million and a gain on financial assets/liabilities through profit or loss amounting to HK$11.19 million in 2016, the group reported a net profit of HK$147.67 million for 2017, up marginally from HK$146.15 million in 2016. This was due to a decrease in profit attributable to non-controlling interests by HK$12.60 million and increase in net foreign exchange gain by HK$16.56 million. As at end of 2017, the Group held an equity interest of approximately 7.0% in Lion Rock. Lion Rock pays dividends regularly and for the year ended 31 December 2017, its dividend yield was 6.0%. The Group received approximately RM2.69 million in dividends from Lion Rock during the year.

Asiatravel continues to operate in a highly competitive industry. It is an online travel company that offers various travel products through its multi-channel distribution platforms. During the year, Asiatravel raised S$2.45 million via the issuance of a convertible note with a principal amount of S$10 million to its controlling shareholder, with the remaining S$7.55 million due to be received by 30 June 2018. Asiatravel's share price ended the year at S$0.057, down from S$0.08 at the end of 2016.

The Equity Portfolio Fund ("Equity Fund") is a discretionary mandate fund managed by a licensed firm of professional fund managers. This fund was started in 2012 with an initial injection of RM8 million which was subsequently increased by RM4.8 million in 2013 before the Group decided to redeem RM5 million in 2014. This fund is mandated to invest for the long term in high dividend yield stocks in the region. For the year ended 31 December 2017, the Equity Fund derived dividend income of RM0.62 million and PAT of RM0.27 million.

The only change to the composition of the Group's AFS investments during 2017 was the investment of RM2.00 million into Nova Pharma Solutions Berhad ("Nova Pharma") which was completed on 29 December 2017. Nova Pharma was listed on the LEAP Market of Bursa Malaysia recently on 9 March 2018. The LEAP Market is a new market offered by Bursa Malaysia which aims to provide SMEs and other companies with greater fund raising access and visibility via the capital market but this market is only accessible to sophisticated investors. Nova Pharma is principally involved in the provision of engineering solutions for the pharmaceutical and biotechnology industries focusing on the initial design and building phase of pharmaceutical and/or biotechnology plants. The engineering solutions provided by the company range from pre-design (feasibility study and site selection) to design (conceptual design, basic design and detailed design) to post-design (tendering, procurement and site supervision) to other supporting activities (GMP documents review and gap analysis and assessment). Some of the pharmaceutical and biotechnology plants that Nova Pharma has been involved in include oral solid dosage, biopharmaceutical manufacturing, vaccine filling and finishing as well as ophthalmic manufacturing. The company's principal markets are in Malaysia and Taiwan. For the year ended 31 December 2017, Nova Pharma's revenue amounted to RM7.13 million with a PAT of RM2.65 million. In the company's Information Memorandum, it is stated that the company envisaged a dividend pay-out ratio of not less than 20% of their future net profit in each financial year. Subsequent to the listing of Nova Pharma on the LEAP Market, the Group has an equity interest of 9.45% in the company.

Looking at the table below, with the exception of Asiatravel, the fair value of the Group's associates and AFS investments as at 31 December 2017 are significantly above the Group's cost of investment. The unrealised gains, with the exception of 104 Corporation, Innity and Asiatravel, have been recognised in Other Comprehensive Income ("OCI") at this stage. Pursuant to the new MFRS 9 "Financial Instruments" which come into effect on 1 January 2018 and assuming that the Group elects to classify its equity investments as fair value through other comprehensive income ("FVOCI"), fair value changes on the Group's equity investments will continue to be presented in OCI but any cumulative gain or loss in OCI will be directly transferred to retained earnings upon the sale of the equity investments. The unrealised gains on 104 Corporation and Innity, as associates, have not been recognised at all, while the losses on Asiatravel have already been recognised in the Statement of Profit or Loss.

	Cost of Investment RM	**Carrying Value RM**	**Fair Value RM**
104 Corporation^	75,256,303	109,620,767	170,136,792
Innity^	8,487,984	12,202,865	19,012,526
Lion Rock	17,799,453	44,441,344	44,441,344
Asiatravel	3,381,639	812,174	812,174
Nova Pharma∞	2,000,000	2,000,000	2,000,000
Equity Portfolio Fund	8,923,536	11,037,213	11,037,213
	115,848,915	180,114,363	247,440,049

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

∞ Fair value assumed to approximate cost of investment as the equity investment was made on 29 December 2017.

During 2017, a decision was made to reduce the Group's investments in money market unit trust funds by placing the funds into conventional term deposits with banks. These are all RM denominated. As a result, the amount of funds in money market unit trust funds decreased from RM94.38 million at the end of 2016 to RM48.58 million at the end of 2017 and conversely, the RM denominated cash and bank deposits increased from RM1.52 million at the end of 2016 to RM42.97 million at the end of 2017. On the Group's foreign currency cash holdings, the Group decided to pare down its US dollar cash holdings by converting a portion of the US dollars into SG dollars. To recap, the US dollar cash holdings were accumulated from the proceeds received from the mandatory unconditional cash offer from Cinderella Media Group Limited in 2015 and dividends received from 104 Corporation and Lion Rock in 2016 which were then converted to USD. In the second half of 2017, the Group diversified its foreign currency holdings by converting approximately USD5.61 million into SGD7.61 million. Dividends received from Lion Rock in 2017 amounting to HK$4.6 million were also converted to SGD0.80 million. The decision to diversify the Group's cash to include USD and SGD, was in anticipation of future investments outside of Malaysia should opportunities present themselves, but unfortunately as seen in 2017, this has led to volatility in our financial results.

While these moves are necessary to safeguard the Group's interests, the focus of the Board and management is still on identifying new strategic investments which can contribute to the future growth of the Group. To be able to capitalise on any opportunities as and when they arise without sacrificing unduly on the Group's returns on its reserves, the Group will need to maintain an appropriate mix of long and short term investments and cash.

FUTURE PLANS AND PROSPECTS

The Board and management will continue to identify and evaluate new investments into businesses or companies which can contribute to the financial performance of the Group. In addition, we will also continue to procure new tenants for Wisma JcbNext. Pending such investments and tenants to materialise, the Group's future prospects will depend primarily on the performance of its associates, 104 Corporation and Innity Corporation Berhad. Future prospects will also depend upon investment income from dividends, interest and distributions from the money market unit trust funds and its operating activities namely the provision of consultancy services in our Japan subsidiary and rental income from its properties in Kuala Lumpur, upon securing new tenants, and Johor.

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 (2017) ("Code"). It recognizes that the principles of good corporate governance and business integrity are fundamental to the goals of enhancing shareholder value and protecting the interests of all stakeholders.

The Board is pleased to report to shareholders, the Company's application of the following three key principles of the Code during the financial year ended 31 December 2017:

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

The application of each Practice set out in the Code has been detailed in the Corporate Governance Report which can be found on the Group's website at www.jcbnext.com.

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, CEO and various Board Committees.

The Board assumes the following specific duties and responsibilities:

- Reviewing and adopting a strategic plan of the Group as developed by Senior Management;
- Overseeing and evaluating the conduct of the Group's businesses including financial and operational performance;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Establishing a succession plan including appointing, training, fixing the compensation of and where appropriate, replacing Executive Directors and Senior Management;
- Developing and implementing an investors relations programme or shareholder communication policy;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- Ensuring that the Group adheres to high standards of ethics and corporate behaviour.

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

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;

- Strategic investments, mergers and acquisitions and corporate exercises;
- Authority levels;
- Treasury policies;
- Risk management policies; and
- Key human resource issues.

Board Charter

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

Clear Functions of the Board and Senior Management

The Board is responsible for the overall performance of the Group by setting goals, policies and targets while Senior Management, led by the Chief Executive Officer ("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 29 to 31 of this Annual Report), the Remuneration Committee and the Investment Committee.

Chairman and CEO

The Chairman and CEO roles are undertaken by separate persons. The Chairman role is helmed by Datuk Ali bin Abdul Kadir, an Independent Non-Executive Director. The responsibilities of the Chairman and the CEO are clearly divided in accordance with the requirements of the Code. Datuk Ali, as the Chairman, is responsible for running the Board and ensuring that all Directors receive sufficient information to enable them to participate actively in Board decisions. Datuk Ali is also the Senior Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors. Executive management is led by Mr. Chang Mun Kee 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

The Board has adopted and implemented a Code of Ethics for Directors of the Company and its subsidiaries ("Code of Ethics") which can be found on the Group's website at www.jcbnext.com. The Code of Ethics is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code of Ethics establishes a standard of ethical behaviour for Directors based on acceptable belief and values. It also includes guidance on relationship with shareholders, employees, creditors and customers and the standard of conduct with regards to social responsibilities and the environment.

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

To enhance corporate governance practices across the Group, a Whistle-Blowing Policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimization, harassment or subsequent discrimination. The Whistle-Blowing Policy can be found on the Group's website at www.jcbnext.com.

Any person who wishes to report a suspected impropriety may submit his/her report to the Audit and Risk Committee via jcbwhistle@gmail.com. This is a secure email address accessible only by the Audit and Risk Committee members.

Promote Sustainability

The Board is aware of the importance of business sustainability and ensures that there is a plan for promoting sustainability in the development of the Group's strategies, by balancing the environmental, social and governance aspects of business with the expectations of its various stakeholders. The need to promote sustainability is enshrined in the Board Charter. More details of the Group's efforts in incorporating sustainability in its business operations can be found in the Sustainability Statement on page 27 of the Annual Report.

Access to Information and Advice

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

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

Qualified and Competent Company Secretaries

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

Board Composition

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

Nomination Committee

The Nomination Committee comprised of the following members:

Chairman	:	Datuk Ali bin Abdul Kadir *(Independent Non-Executive Chairman)*
Members	:	Teo Koon Hong *(Independent Non Executive Director)*
		Lim Chao Li *(Non-Independent Non-Executive Director)*

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

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

The Nomination Committee recommended to the Board on the endorsement of the retiring Director, Mr. Chang Mun Kee, for re-appointment and re-election at the forthcoming Fourteenth Annual General Meeting ("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 and effectiveness of the Board and the respective Board Committees as a whole and the respective contributions of each individual Director for the year 2016;
(ii) Proposed to recommend to the Board the re-election/re-appointment of Directors who would be due to retire at the next AGM;
(iii) Assessed the independence of the Independent Non-Executive Directors and to recommend to the Board for Datuk Ali Kadir to continue to act as an Independent Director of the Company; and
(iv) Reviewed the training undertaken by individual Directors.

Criteria for recruitment and assessment

The Nomination Committee identifies and recommends to the Board suitable candidates for appointment to the Board and Board Committees. In recommending candidates whether men or women for appointment to the Board, the Nomination Committee assesses the candidates' background, experience, competencies, existing commitments and the ability to contribute and add diversity (including gender diversity) to the Board. While the Board does not have a specific policy on gender diversity, the Nomination Committee acknowledges the need to promote gender diversity in accordance with Practice 4.5 of the Code and emphasis will be placed on this in the event that vacancies for directors 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.

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

For the financial year ended 31 December 2017, the Nomination Committee performed the following assessments:

(1) Effectiveness of the Board and Board Committees
(2) Self-assessment of character, experience, integrity, competence and time commitment of Board Members and Chief Financial Officer
(3) The Board's mix of skills and experience
(4) Level of independence of Independent Directors
(5) Effectivess of the Audit and Risk Committee

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

All assessments and evaluations carried out by Nomination Committee in the discharge of all its functions are properly documented. The annual assessment of the Board for the financial year ended 31 December 2017 was conducted on 22 February 2018. The Nomination Committee was satisfied that the size, structure and composition of the Board remained appropriate and concluded that the Board and Board Committees generally have a good mix of skills, knowledge, experience and professional qualifications required to contribute positively to the Group and was operating in an effective manner and that each Director continued to make effective contributions to the work of the Board.

Remuneration Committee and Remuneration of Directors and Senior Management

The Remuneration Committee is comprised of the following members:

Chairman	:	Teo Koon Hong *(Independent Non-Executive Director)*
Members	:	Lim Chao Li *(Non-Independent Non-Executive Director)*
		Chang Mun Kee *(Executive Director, Founder & CEO)*

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

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

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

The Remuneration Committee meets as and when required. For the financial year under review, one (1) meeting was held and was attended by all its members.

The details of the remuneration of the Directors received/ receivable from the Group and the Company for the financial year ended 31 December 2017 are set out below:

	Fees RM	Salaries and bonuses RM	Meeting allowances RM	Others (Note) RM	Total RM
Executive Director					
Chang Mun Kee	-	845,970	-	104,735	950,705
Non-Executive Directors					
Datuk Ali bin Abdul Kadir	69,000	-	5,000	-	74,000
Teo Koon Hong	64,000	-	7,500	-	71,500
Lim Chao Li	60,000	-	7,500	-	67,500
Total	**193,000**	**845,970**	**20,000**	**104,735**	**1,163,705**

Note:
Others comprise of allowances, contribution to the Employees Contribution Fund and benfits-in-kind.

The details of the remuneration of Senior Management (comprising salary, bonus and other emoluments) for the financial year ended 31 December 2017 in bands of RM50,000 are set out below:

	Designation	RM
Chang Mun Kee	Chief Executive Officer	950,001-1,000,000
Gregory Charles Poarch	Chief Financial Officer	750,001-800,000
Wong Siew Hui	Chief Technology Officer	700,001-750,000
Seow Choong Huei (resigned on 30 October 2017)	Head of Investment	600,001-650,000

Note:
The Group has only 15 employees as at 31 December 2017. Mr. Wong Siew Hui and Mr. Gregory Charles Poarch together with Mr. Chang Mun Kee, form the senior management team.

Independent Directors

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

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

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

Based on the assessment carried out on 22 February 2018 for the financial year ended 31 December 2017, 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.

The Nomination Committee noted Practice 4.2 of the Code which states that the tenure of an independent director should not exceed a cumulative term of nine years and upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. Practice 4.2 of the Code further states that if the board intends to retain an independent director beyond nine years, it should justify and seek shareholders' approval and if the board continues to retain an independent director after the twelveth year, the board should seek shareholders' approval through a two-tier voting process. Datuk Ali bin Abdul Kadir has served as an Independent Non-Executive Director on the Board since 2004. The Board, via the Nomination Committee, has conducted the annual performance evaluation and assessment of Datuk Ali Kadir and was satisfied that he continued to fulfil the independence guidelines as set out in the Listing Requirements and that his independence on the Board has not been compromised by his long tenure on the Board. Datuk Ali Kadir continued to exercise unbiased, objective and independent judgment during deliberations at the ARC and Board meetings. He also possesses vast professional experience and contributes to a good mix of skills, knowledge and experience in the Board. The Board therefore endorsed the recommendation of the Nomination Committee for Datuk Ali Kadir to be retained as an Independent Director and will seek shareholders' approval at the forthcoming AGM via a single-tier voting process for his retention as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.

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 22 February 2018 for the financial year ended 31 December 2017, the Board is satisfied with the level of commitment demonstrated by individual Board members.

The Board plans at least four scheduled meetings annually, with additional meetings to be held, as and when necessary. The Board met four (4) times for the financial year ended 31 December 2017 and the summary of attendance at the Board Meetings held is as follows:

	Number of Board Meetings	
Directors	**Held**	**Attended**
Datuk Ali bin Abdul Kadir (Chairman)	4	4
Teo Koon Hong	4	4
Chang Mun Kee	4	4
Lim Chao Li	4	4

Directors' Training

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

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

1. Regulatory Landscape by Citibank
2. FIDE Core Programme Module A by The Iclif Leadership and Governance Centre
3. FIDE Core Programme Module B by The Iclif Leadership and Governance Centre
4. Islamic Banking by Citibank
5. Business Foresight Forum 2017 by the Securities Industry Development Corporation
6. Introduction to Sustainability Reporting by Boardroom Corporate Services (KL) Sdn Bhd
7. Conference on the New Investment Frontier: Blockchain, Cryptocurrencies & ICO
8. Understanding Mergers & Acquisition, Insider Trading by 104 Corporation
9. Capital Market Director Programme: Directors as Gatekeepers of Market Participants
10. Capital Market Director Programme: Business Challenges and Regulatory Expectations – What Directors Need To Know (Equities and Futures Broking)
11. Capital Market Director Programme: Business Challenges and Regulatory Expectations – What Directors Need To Know (Fund Management)
12. Capital Market Director Programme: Risk Oversight and Compliance – Action Plan for Board of Directors
13. Talk on Cybersecurity and Threat Landscape in Banking
14. New Strategy Execution and Power of Managing Collective Emotions
15. Sustaining Business Growth with Sound Governance, Risk Management, Internal Control and Compliance for Directors by Bursa Malaysia

16. BNM Compliance Conference 2017
17. Updates on AML/CTF by Public Investment Bank Berhad
18. 2nd Securities Commission – FIDE Forum Dialogue: Leveraging Technology for Growth

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

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Committee

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

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

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

Compliance with applicable financial reporting standards

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

The Statement by Directors pursuant to Section 251 (2) of the Companies Act 2016 is set out on page 99 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 26 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 2017 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. Please refer to page 26 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 2017.

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

At the Audit and Risk Committee held on 23 April 2018, the Audit and Risk Committee assessed the suitability and independence of the external auditors and have recommended to the Board to propose to shareholders at the forthcoming AGM the reappointment of the external auditors to hold office for the ensuing year.

Risk Management and Internal Control

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

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

Enterprise Risk Management Framework

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

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

The Statement on Risk Management and Internal Control as set out on pages 32 to 33 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

Internal audit function

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

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

The activities of the internal auditors during the financial year are set out in the Audit and Risk Committee Report on page 31 of the Annual Report.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Corporate disclosure policy and investor relations

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

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

However, pending any meaningful update to the Group's operations following the sale of the online job portal business to SEEK Asia Investments Pte Ltd in 2014, Management has not conducted any of such meetings and instead, relied on the Company's AGM, website, annual and quarterly reports and announcements made to Bursa Malaysia Securities Berhad as the primary means of communicating with shareholders, investors and analysts.

Leverage on information technology for effective dissemination of information

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

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

Dialogue with shareholders

The Company's annual and extraordinary general meetings provide a vital platform for both private and institutional shareholders to share viewpoints and acquire information on issues relevant to the Group. At the AGM and EGM, shareholders will be encouraged to raise questions on the resolutions being proposed or on the Group's business operations in general. As the Company does not have a large number of shareholders and its AGM is held in Kuala Lumpur every year, the use of technology to faciliate remote shareholders' participation including voting in absentia is not necessary at the current time. For the benefit of shareholders who are not able to attend the AGM, a summary of key matters discussed at the AGM will be published on the Group's website at www.jcbnext.com as soon as practicable after the conclusion of the AGM.

Encourage shareholder participation at general meetings

The Notice of the forthcoming Fourteenth AGM together with the Annual Report will be sent to shareholders at least 28 days prior to the AGM which will be held on 28 May 2018. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Items of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolutions.

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

Poll voting

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

Effective communication and proactive engagement

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

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

DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS

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.

ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the financial year ended 31 December 2017.

Audit and Non-Audit Fees

During the financial year ended 31 December 2017, 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:

	Company RM	**Group RM**
Audit fees	93,000	102,000
Non-audit fees	72,386	72,386

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.

SUSTAINABILITY STATEMENT

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

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

Pending any meaningful update to the Group’s operations following the sale of the online job portal business and with a workforce of a mere 15 employees at the end of 2017, the Group is of the view that it does not have any significant direct economic, environment and social impacts at this juncture. Nevertheless, as an investment holding company with capital to fund businesses, the Group believes it is in a position to contribute to sustainability as we consider and plan our business strategy and operations going forward.

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

A. ECONOMIC

Indirect economic impact from investment activities

JcbNext’s investment activities can provide essential capital that allows entrepreneurs to realise their business plans. When entrepreneurs grow their businesses, they create jobs and contribute to the country’s economy. The new products and services created will in turn be used by other businesses to produce other products and services, creating more jobs in the process.

It is also the intention of JcbNext via our CEO, Mark Chang, to contribute to the development of entrepreneurial talent in the country. As an example, Mark serves on the board of Endeavor Malaysia and through this, helps the organisation in its efforts to spur the growth of entrepreneurial talent and start-up businesses. In addition, we meet many companies and entrepreneurs during the course of the year, and where possible, we share our experience and advise the budding entrepreneurs.

B. SOCIAL

Businesses that positively impact society

While JcbNext may not want to limit its investment scope to only companies and businesses that are directly focused on social good (commonly known as Impact Investing), the Group acknowledges that through its investment decisions, it is in a position to encourage a net positive impact on society via funding businesses that give due regard to sustainability. This would, at the same time, entail seeking to avoid businesses that may have a net negative impact on society. To this end, the Group plans to review its investment policy in 2018 and will seek to incorporate considerations with respect to sustainability in its investment appraisal process going forward.

Employee benefits and welfare

JcbNext seeks to be a caring employer. Recognising the rising cost of living, the Company had in 2017 reviewed its staff benefits and commenced paying transport allowances to our non-managerial staff. In addition, the limit for outpatient treatment claims and hospitalisation and surgery insurance have been increased too. The Company also provides time-off for antenatal check-ups for our female staff. Other employee benefits practiced in the Group include the provision of comprehensive annual health screening for those above 35 years of age, term life insurance for all staff and long service monetary award for long standing staff.

C. ENVIRONMENT

Electricity consumption

With the tenancy for most of the office space in Wisma JcbNext (previously known as Wisma JobStreet.com) having expired in January 2018 and the tenants relocating, Wisma JcbNext is now largely vacant other than the one floor that the employees of the Group are occupying. With that, a decision was made to shut down the central air-conditioning and install split unit air-conditioners to reduce electricity consumption. While we may have little control over the electricity consumption of our future tenants, we plan to include them in any of our future energy saving initiatives and awareness campaigns. We believe as the landlord, we are in a position to lead in this area.

Green and eco-friendly practices

We constantly remind our staff to reduce paper usage and print double-sided where possible. With only 15 staff across the Group now, we believe the carbon footprint of our Group in this regard is immaterial. Nevertheless, as a responsible corporate citizen, we believe it is still beneficial to instil awareness among our employees to be environmentally friendly and reduce wastage of paper or any other consumables. Another area that we intend to do better is the segregation of waste to facilitate recycling and this includes providing infrastructure in Wisma JcbNext for our future tenants to practice waste segregation and recycling too.

AUDIT AND RISK COMMITTEE REPORT

MEMBERSHIP

Chairman : Teo Koon Hong *(Independent Non-Executive Director)*
Members : Datuk Ali bin Abdul Kadir *(Independent Non-Executive Chairman)*
Lim Chao Li *(Non-Independent Non-Executive Director)*

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
Datuk Ali bin Abdul Kadir	5/5
Lim Chao Li	5/5

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

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

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

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

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

AUTHORITY AND DUTIES OF THE ARC

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

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

1. Financial statements

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

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

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

2. Matters relating to external audit

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

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

(c) Met with the external auditors without Executive Board members and management present twice, on 27 February 2017 and 29 November 2017, 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 Annual General Meeting 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 Executive Board members and management present once, on 24 April 2017; and

4. Matters relating to risk management and internal control

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

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

5. Matters relating to related party transactions

(a) Reviewed recurrent related party transactions of a revenue and trading nature and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.

6. Matters relating to corporate governance

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

ARC TRAINING

During the financial year under review, members of the ARC attended training programmes on various subject matters such as regulatory, investment, risk management, corporate governance and other business related programmes to enable them to discharge their responsibilities as members of the ARC more effectively.

INTERNAL AUDIT FUNCTION

The Internal Audit function has been outsourced to PKF Advisory Sdn. Bhd., an external professional firm of consultants. In addition, the Director of Risk and Governance Advisory from PKF Advisory Sdn. Bhd. is the Head of Internal Audit. Through discussions with management, the Head of Internal Audit is tasked to lead discussions and work sessions in identifying key risk areas and directing internal audit efforts towards those risk areas, and thereafter report directly to the ARC to preserve the independence of the internal audit function. The internal audits are carried out in accordance with the International Professional Practices Framework of Internal Auditing. The appointment of the Head of Internal Audit does not preclude the ARC, Board of Directors and Management from implementing board policies on risk and control. In fulfilling its responsibilities, the ARC, Board of Directors and management identifies and evaluates the risks faced by the Group, and design, operate and monitor a suitable system of internal control which implements the policies adopted by the Board of Directors.

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

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

a) Best Practices of Corporate Governance Review;

b) Review of the Group's risk and internal control processes; and

c) Review of the Group's investment, cash and bank, fixed asset, procurement and payment management.

The total costs incurred in supporting the Internal Audit Function for the financial year amounted to approximately RM46,000.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

BOARD RESPONSIBILITIES

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

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

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

RISK MANAGEMENT FRAMEWORK AND SYSTEM OF INTERNAL CONTROL

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

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

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

INTERNAL AUDIT REVIEW

The Audit and Risk Committee ("ARC") is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control and risk management. In carrying out its responsibilities, the ARC relies on the support of an external professional firm of consultants appointed by the Committee, PKF Advisory Sdn. Bhd., which carries out internal audits on various areas of operations within the Group. These audits review the internal controls in the key activities of the Group's business based on the detailed internal audit plan approved by the ARC. Based on these audits, the Internal Auditors provide the ARC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control. In addition, subsequent to the year under review, the Internal Auditors performed a review of the Group's risk management and internal control processes and presented its findings and recommendations for improvement to the ARC. No major deficiencies were noted.

ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES

The Group's system of internal controls does not cover associates and joint venture.

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

There were no material losses or contingencies requiring 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 2017, 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 Head of Internal Audit 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 23 April 2018.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the financial year ended 31 December 2017

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 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of interactive marketing services and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. During the financial year, the Company has ceased the provision of interactive marketing services. Other than as stated above, 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 5 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	6,816,696	15,384,592
Non-controlling interests	47,957	-
	6,864,653	15,384,592

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 2.00 sen per ordinary share amounting to RM2,797,362 in respect of the financial year ended 31 December 2016 on 27 July 2017.

The Directors recommend the payment of a final single tier dividend of 4.5 sen per ordinary share amounting to RM6,284,250 in respect of the financial year ended 31 December 2017. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2017, 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
Chang Mun Kee

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1.1.2017	**Bought**	**Sold**	**At 31.12.2017**
Interest in the Company:				
Datuk Ali bin Abdul Kadir	740,000	-	-	740,000
Lim Chao Li	500,000	-	-	500,000
Chang Mun Kee	70,013,254	216,240	-	70,229,494
Deemed interests in the Company:				
Datuk Ali bin Abdul Kadir	42,000	-	-	42,000
Chang Mun Kee	4,705,000	-	-	4,705,000

By virtue of his interests in the shares of the Company, Chang Mun Kee is also deemed interested in the shares of the subsidiaries during the financial year to the extent that JcbNext Berhad has an interest.

The other Director holding office at 31 December 2017 had no interests in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

ISSUE OF SHARES AND DEBENTURES

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

SHARE BUY-BACK

On 29 June 2017, the shareholders of the Company renewed their approval for the Company to buy-back its own shares. During the financial year, the Company bought back from the open market, 207,700 of its issued ordinary shares ("JcbNext Shares") listed on the Main Market of Bursa Malaysia Securities Berhad, at an average buy-back price of approximately RM1.74 per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM360,983 and was financed by internally generated funds. The JcbNext Shares bought back are held as treasury shares in accordance with Section 127 Subsection 4(b) of the Companies Act 2016. On 27 December 2017, the Company cancelled all its treasury shares held pursuant to Section 127 Subsection 4(a) of the Companies Act 2016.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Company is RM15,000,000 and RM28,690 respectively.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2017 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

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

The auditors' remuneration is disclosed in Note 17 to the financial statements.

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

LIM CHAO LI
Director

CHANG MUN KEE
Director

Kuala Lumpur

Date: 24 April 2018

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Assets					
Property and equipment	3	286,153	376,152	279,616	360,826
Investment properties	4	19,888,000	20,188,000	19,888,000	20,188,000
Investments in subsidiaries	5	-	-	14,024,387	-
Investments in associates	6	121,823,632	125,164,838	83,744,287	83,744,287
Investment in a joint venture	7	-	-	-	-
Other investments	8	59,191,137	55,800,029	58,989,811	55,577,595
Total non-current assets		201,188,922	201,529,019	176,926,101	159,870,708
Other investments	8	48,580,485	94,379,859	48,580,485	94,379,859
Current tax assets		-	179,745	-	179,745
Trade and other receivables	10	1,262,877	838,413	876,520	507,871
Prepayments and other assets		123,017	118,887	94,618	86,415
Deposits with licensed banks with original maturities more than three months		44,110,400	33,181,600	44,110,400	33,181,600
Cash and cash equivalents	11	41,774,591	3,195,529	34,806,399	2,404,016
Total current assets		135,851,370	131,894,033	128,468,422	130,739,506
Total assets		337,040,292	333,423,052	305,394,523	290,610,214
Equity					
Share capital		196,619,727	70,000,000	196,619,727	70,000,000
Reserves		138,420,914	261,032,519	107,398,731	219,104,987
Total equity attributable to owners of the Company	12	335,040,641	331,032,519	304,018,458	289,104,987
Non-controlling interests		65,010	21,519	-	-
Total equity		335,105,651	331,054,038	304,018,458	289,104,987
Liabilities					
Deferred tax liabilities	9	49,239	87,220	49,239	87,220
Total non-current liabilities		49,239	87,220	49,239	87,220
Other payables	13	1,823,030	2,274,864	1,270,916	1,418,007
Current tax payables		62,372	6,930	55,910	-
Total current liabilities		1,885,402	2,281,794	1,326,826	1,418,007
Total liabilities		1,934,641	2,369,014	1,376,065	1,505,227
Total equity and liabilities		337,040,292	333,423,052	305,394,523	290,610,214

The notes on pages 48 to 98 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	14	9,895,392	9,231,058	20,872,182	16,210,701
Other operating income		14,851	2,448,797	-	2,451,581
Contract and outsourcing cost		(668,561)	(808,875)	-	-
Depreciation of property and equipment	3	(110,146)	(132,663)	(101,463)	(122,092)
Rental of office and equipment		(120,069)	(162,969)	(4,164)	(4,269)
Staff costs	16	(4,204,677)	(4,824,581)	(2,577,558)	(2,685,410)
Other operating expenses		(6,030,276)	(2,542,384)	(6,265,054)	(2,279,049)
Results from operating activities		(1,223,486)	3,208,383	11,923,943	13,571,462
Interest income		7,474	13,141	-	-
Loss on financial assets classified as fair value through profit or loss		(412,175)	(1,776,857)	(412,175)	(1,776,857)
Gain/(loss) on accretion/(dilution) of interest in an associate		52,180	(785,609)	-	-
Loss on changes in fair value of investment properties		(300,000)	-	(300,000)	-
Gain on disposal of investments in quoted shares		138,322	-	138,322	-
Impairment loss on amounts due from subsidiaries		-	-	(80,000)	(3,119,486)
Reversal of impairment loss on amounts due from subsidiaries		-	-	6,083,469	-
Share of profit of equity accounted associates, net of tax		10,579,288	12,686,117	-	-
Profit before tax	17	8,841,603	13,345,175	17,353,559	8,675,119
Tax expense	18	(1,976,950)	(1,930,477)	(1,968,967)	(1,924,150)
Profit for the year		6,864,653	11,414,698	15,384,592	6,750,969

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Profit for the year		6,864,653	11,414,698	15,384,592	6,750,969
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(1,923,605)	(314,202)	-	-
Fair value of available-for-sale financial assets					
- Gain on price change		7,477,917	8,945,547	7,477,917	8,945,547
- (Loss)/Gain on exchange differences		(4,790,693)	1,415,570	(4,790,693)	1,415,570
Share of (loss)/gain of equity-accounted associates		(418,314)	7,166,715	-	-
Total other comprehensive income for the year, net of tax		345,305	17,213,630	2,687,224	10,361,117
Total comprehensive income for the year		7,209,958	28,628,328	18,071,816	17,112,086
Profit attributable to:					
Owners of the Company		6,816,696	11,351,763	15,384,592	6,750,969
Non-controlling interests		47,957	62,935	-	-
Profit for the year		6,864,653	11,414,698	15,384,592	6,750,969
Total comprehensive income attributable to:					
Owners of the Company		7,166,467	28,568,630	18,071,816	17,112,086
Non-controlling interests		43,491	59,698	-	-
Total comprehensive income for the year		7,209,958	28,628,328	18,071,816	17,112,086
Basic earnings per ordinary share based on profit attributable to owners of the Company (sen):	19	4.88	8.12		

The notes on pages 48 to 98 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2017

Group	Note	Share capital RM	Share premium RM	Capital reserve RM	Capital redemption reserve RM	Translation reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		<---- Attributable to owners of the Company									---->		
		<---- *Non-distributable*							---->	*Distributable*			
At 1 January 2016		70,000,000	124,035,627	1,748,333	2,584,100	16,806,026	18,450,413	5,742,256	(219,087)	65,591,227	304,738,895	(38,179)	304,700,716
Foreign currency translation differences for foreign operations		-	-	-	-	(310,965)	-	-	-	-	(310,965)	(3,237)	(314,202)
Fair value of available-for-sale financial assets													
- Gain on price changes		-	-	-	-	-	8,945,547	-	-	-	8,945,547	-	8,945,547
- Gain on exchange differences		-	-	-	-	-	1,415,570	-	-	-	1,415,570	-	1,415,570
Share of other comprehensive income of equity-accounted associates		-	-	188,318	-	6,978,397	-	-	-	-	7,166,715	-	7,166,715
Total other comprehensive income for the year		-	-	188,318	-	6,667,432	10,361,117	-	-	-	17,216,867	(3,237)	17,213,630
Profit for the year		-	-	-	-	-	-	-	-	11,351,763	11,351,763	62,935	11,414,698
Total comprehensive income for the year		-	-	188,318	-	6,667,432	10,361,117	-	-	11,351,763	28,568,630	59,698	28,628,328
Contributions by and distributions to owners of the Company													
- Treasury shares acquired	12	-	-	-	-	-	-	-	(1,780)	-	(1,780)	-	(1,780)
- Dividends	20	-	-	-	-	-	-	-	-	(2,273,226)	(2,273,226)	-	(2,273,226)
Total transactions with owners of the Company		-	-	-	-	-	-	-	(1,780)	(2,273,226)	(2,275,006)	-	(2,275,006)
At 31 December 2016		70,000,000	124,035,627	1,936,651	2,584,100	23,473,458	28,811,530	5,742,256	(220,867)	74,669,764	331,032,519	21,519	331,054,038
		Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12				

Group	Note	Share capital RM	Share premium RM	Capital reserve RM	Capital redemption reserve RM	Translation reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Retained earnings RM	Total RM	Non controlling interests RM	Total equity RM
		<--- Attributable to owners of the Company --->											
		<--- *Non-distributable* --->								*Distributable*			
At 31 December 2016/ 1 January 2017		70,000,000	124,035,627	1,936,651	2,584,100	23,473,458	28,811,530	5,742,256	(220,867)	74,669,764	331,032,519	21,519	331,054,038
Foreign currency translation differences for foreign operations		-	-	-	-	(1,719,845)	-	-	-	(199,294)	(1,919,139)	(4,466)	(1,923,605)
Fair value of available-for-sale financial assets													
- Gain on price changes		-	-	-	-	-	7,477,917	-	-	-	7,477,917	-	7,477,917
- Loss on exchange differences		-	-	-	-	-	(4,790,693)	-	-	-	(4,790,693)	-	(4,790,693)
Share of other comprehensive income of equity-accounted associates		-	-	70,674	-	(240,046)	-	-	-	(248,942)	(418,314)	-	(418,314)
Total other comprehensive income for the year		-	-	70,674	-	(1,959,891)	2,687,224	-	-	(448,236)	349,771	(4,466)	345,305
Profit for the year		-	-	-	-	-	-	-	-	6,816,696	6,816,696	47,957	6,864,653
Total comprehensive income for the year		-	-	70,674	-	(1,959,891)	2,687,224	-	-	6,368,460	7,166,467	43,491	7,209,958
Contributions by and distributions to owners of the Company													
- Treasury shares acquired	12	-	-	-	-	-	-	-	(360,983)	-	(360,983)	-	(360,983)
- Dividends	20	-	-	-	-	-	-	-	-	(2,797,362)	(2,797,362)	-	(2,797,362)
Total transactions with owners of the Company		-	-	-	-	-	-	-	(360,983)	(2,797,362)	(3,158,345)	-	(3,158,345)
Transfer in accordance with Section 618 (2) of the Companies Act 2016*		126,619,727	(124,035,627)	-	(2,584,100)	-	-	-	-	-	-	-	-
Cancellation of treasury shares		-	-	-	-	-	-	-	581,850	(581,850)	-	-	-
At 31 December 2017		196,619,727	-	2,007,325	-	21,513,567	31,498,754	5,742,256	-	77,659,012	335,040,641	65,010	335,105,651
		Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12				

* In accordance with Section 618 (2) of the Companies Act 2016, the share premium and the capital redemption reserve amounting to RM126,619,727 has become part of the Company's share capital.

The notes on pages 48 to 98 are an integral part of these financial statements.

Company	Note	Share capital RM	Share premium RM	Capital redemption reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
		<---- Attributable to owners of the Company ---->							
		<---- Non-distributable ---->						Distributable	
At 1 January 2016		70,000,000	124,035,627	2,584,100	18,450,413	5,443,353	(219,087)	53,973,501	274,267,907
Fair value of available-for-sale financial assets									
- Gain on price changes		-	-	-	8,945,547	-	-	-	8,945,547
- Gain on exchange differences		-	-	-	1,415,570	-	-	-	1,415,570
Total other comprehensive income for the year		-	-	-	10,361,117	-	-	-	10,361,117
Profit for the year		-	-	-	-	-	-	6,750,969	6,750,969
Total comprehensive income for the year		-	-	-	10,361,117	-	-	6,750,969	17,112,086
Contributions by and distributions to owners of the Company									
- Treasury shares acquired	12	-	-	-	-	-	(1,780)	-	(1,780)
- Dividends	20	-	-	-	-	-	-	(2,273,226)	(2,273,226)
Total transactions with owners of the Company		-	-	-	-	-	(1,780)	(2,273,226)	(2,275,006)
At 31 December 2016		70,000,000	124,035,627	2,584,100	28,811,530	5,443,353	(220,867)	58,451,244	289,104,987
		Note 12	Note 12	Note 12	Note 12	Note 12	Note 12		

Company	Note	Share capital RM	Share premium RM	Capital redemption reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
		<--- Attributable to owners of the Company --->							
		<--- *Non-distributable* --->						*Distributable*	
At 1 January 2017		70,000,000	124,035,627	2,584,100	28,811,530	5,443,353	(220,867)	58,451,244	289,104,987
Fair value of available-for-sale financial assets									
- Gain on price changes		-	-	-	7,477,917	-	-	-	7,477,917
- Loss on exchange differences		-	-	-	(4,790,693)	-	-	-	(4,790,693)
Total other comprehensive income for the year		-	-	-	2,687,224	-	-	-	2,687,224
Profit for the year		-	-	-	-	-	-	15,384,592	15,384,592
Total comprehensive income for the year		-	-	-	2,687,224	-	-	15,384,592	18,071,816
Contributions by and distributions to owners of the Company									
- Treasury shares acquired	12	-	-	-	-	-	(360,983)	-	(360,983)
- Dividends	20	-	-	-	-	-	-	(2,797,362)	(2,797,362)
Total transactions with owners of the Company		-	-	-	-	-	(360,983)	(2,797,362)	(3,158,345)
Transfer in accordance with Section 618 (2) of the Companies Act 2016*		126,619,727	(124,035,627)	(2,584,100)	-	-	-	-	-
Cancellation of treasury shares		-	-	-	-	-	581,850	(581,850)	-
At 31 December 2017		196,619,727	-	-	31,498,754	5,443,353	-	70,456,624	304,018,458
		Note 12	Note 12	Note 12	Note 12	Note 12	Note 12		

* In accordance with Section 618 (2) of the Companies Act 2016, the share premium and the capital redemption reserve amounting to RM126,619,727 has become part of the Company's share capital.

The notes on pages 48 to 98 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash flows from operating activities					
Profit before tax		8,841,603	13,345,175	17,353,559	8,675,119
Adjustments for:					
Changes in fair value of investment properties		300,000	-	300,000	-
Depreciation of property and equipment	3	110,146	132,663	101,463	122,092
Share of profit after tax of equity-accounted associates		(10,579,288)	(12,686,117)	-	-
Dividend income		(3,308,018)	(1,964,756)	(14,973,802)	(9,722,940)
Interest income		(1,175,311)	(1,401,335)	(1,433,321)	(1,681,929)
Investment distribution income		(2,701,947)	(2,208,447)	(2,701,947)	(2,208,447)
Impairment loss on amounts due from subsidiaries		-	-	80,000	3,119,486
Reversal of impairment loss on amounts due from subsidiaries		-	-	(6,083,469)	-
Gain on disposal of investments in quoted shares		(138,322)	-	(138,322)	-
Loss on financial assets classified as fair value through profit or loss		412,175	1,776,857	412,175	1,776,857
(Gain)/Loss on (accretion)/dilution of interest in an associate		(52,180)	785,609	-	-
Unrealised foreign exchange loss/(gain)		3,814,224	(3,506,941)	4,680,523	(3,506,940)
Operating loss before working capital changes		(4,476,918)	(5,727,292)	(2,403,141)	(3,426,702)
Changes in trade and other receivables		240,452	228,223	(2,125,063)	211,440
Changes in prepayments and other assets		(5,789)	(14,483)	(8,203)	(5,400)
Changes in other payables		(230,900)	(556,073)	(147,091)	(265,941)
Cash used in operations		(4,473,155)	(6,069,625)	(4,683,498)	(3,486,603)
Income tax paid		(1,778,329)	(1,710,860)	(1,771,293)	(1,704,425)
Interest received		488,144	1,401,335	746,154	1,681,929
Net cash used in operating activities		(5,763,340)	(6,379,150)	(5,708,637)	(3,509,099)
Cash flows from investing activities					
Acquisition of investments in quoted shares		(2,014,657)	-	(2,014,657)	-
Acquisition of other investments		(5,397,303)	(74,135,655)	(5,397,303)	(74,135,655)
Acquisition of property and equipment	3	(20,253)	(74,450)	(20,253)	(74,450)
Acquisition of treasury shares		(360,983)	(1,780)	(360,983)	(1,780)
Dividends received from an associate	14	11,665,784	7,758,184	11,665,784	7,758,184
Dividends received from other other investments	14	3,308,018	1,964,756	3,308,018	1,964,756
Increase in investment in a subsidiary		-	-	(6,443,637)	-
Investment distribution income received	14	2,701,947	2,208,447	2,701,947	2,208,447
Net change in deposits with licensed banks with original maturities more than 3 months		(10,928,800)	(33,181,600)	(10,928,800)	(33,181,600)
Proceeds from disposal of investments in quoted shares		1,103,153	-	1,103,153	-
Proceeds from disposal of other investments		51,109,336	2,418,150	51,109,336	2,418,150
Net cash from/(used in) investing activities		51,166,242	(93,043,948)	44,722,605	(93,043,948)

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash flows from financing activities					
Dividends paid to shareholders of the Company		(2,797,362)	(2,273,226)	(2,797,362)	(2,273,226)
Net cash used in financing activities		(2,797,362)	(2,273,226)	(2,797,362)	(2,273,226)
Net increase/(decrease) in cash and cash equivalents		42,605,540	(101,696,324)	36,216,606	(98,826,273)
Cash and cash equivalents at beginning of the year		3,195,529	101,629,445	2,404,016	101,230,289
Effects of exchange rate fluctuations on cash held		(4,026,478)	3,262,408	(3,814,223)	-
Cash and cash equivalents at end of year	(i)	41,774,591	3,195,529	34,806,399	2,404,016

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Deposits with licensed banks	11	32,027,775	313,231	25,953,175	251,686
Cash and bank balances	11	9,746,816	2,882,298	8,853,224	2,152,330
		41,774,591	3,195,529	34,806,399	2,404,016

The notes on pages 48 to 98 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:

Registered office
Lot 6.05, Level 6
KPMG Tower, 8 First Avenue
Bandar Utama
47800, Petaling Jaya
Selangor Darul Ehsan

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2017 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 and a joint venture. The financial statements of the Company as at and for the financial year ended 31 December 2017 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 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 24 April 2018.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The following are accounting standards, amendments and interpretations of MFRSs 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 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019 (cont'd)

- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

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*

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

- from the annual period beginning on 1 January 2018 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018, except for Amendments to MFRS 1, MFRS 2 and MFRS 4 which are not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2019 for those accounting standard, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2019, except for Amendments to MFRS 119 and MFRS 123 which are not applicable to the Group and the Company.

The Group and the Company do not plan to apply MFRS 17*, Insurance Contracts* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

Based on the current assessment, the Group does not expect a material impact on the Group's revenue on the initial application of MFRS 15.

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. Currently, the Group classifies and measure financial assets and liabilities based on policy as stated in Note 2(c)(ii). Upon adoption of MFRS 9, the Group will classify and measure financial assets and liabilities at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

MFRS 9 requires entities to measure all investments in equity instruments at fair value. Currently, the Group measure its investments in equity instruments that do not have a quoted market price in an active market based on policy as stated in Note 2 (c)(ii)(c).

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

(iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

(b) Basis of measurement

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

1. BASIS OF PREPARATION (CONT'D)

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

(ii) Business combinations

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

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

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

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any resulting gain/loss is recognised directly in equity.

(v) Loss of control

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(vi) Associates

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

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

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

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

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

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

(vii) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(vii) Joint arrangements (cont'd)

- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale of distribution. The cost of investment includes transaction costs.

(viii) Non-controlling interests

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

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

(ix) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

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

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

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

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

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

(c) Financial instruments

(i) Initial recognition and measurement

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

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

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(h)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

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

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

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

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(v) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property and equipment

(i) Recognition and measurement

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

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

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

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

The cost of property and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties has each acted knowledgeably, prudently and without compulsion. The fair value of other items of equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property and equipment (cont'd)

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. Freehold land is not depreciated.

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

Computers	3 - 4 years
Office equipment	3 - 5 years
Renovations	4 - 5 years

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

(e) Leased assets

Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

(f) Investment properties

(i) Investment properties carried at fair value

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties (cont'd)

(i) Investment properties carried at fair value (cont'd)

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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

(ii) Reclassification to/from investment properties

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

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

(g) Cash and cash equivalents

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

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries, investments in associates and investment in a joint venture) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(i) Financial assets (cont'd)

cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(ii) Other assets (cont'd)

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

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

(i) Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

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

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

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

(j) Employee benefits

(i) Short-term employee benefits

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Employee benefits (cont'd)

(ii) State plans

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

(k) Provisions

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

(l) Revenue and other income

(i) Services rendered

Revenue is recognised in profit or loss upon performance of services, net of discounts and allowances.

The amount of unearned income from services to be rendered in future financial periods is disclosed as deferred income.

(ii) Rental income

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

(iii) Dividend and investment distribution income

Dividend and investment distribution income are recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iv) Interest income

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

(m) Borrowing costs

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Borrowing costs (cont'd)

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

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

(n) Income tax

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Earnings per ordinary share

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

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

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

(p) Operating segments

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

(q) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Fair value measurement

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

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

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

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

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

3. PROPERTY AND EQUIPMENT

Group	Computers RM	Office equipment RM	Renovations RM	Total RM
Cost				
At 1 January 2016	197,771	5,500	1,391,920	1,595,191
Additions	74,450	-	-	74,450
Exchange difference	459	-	-	459
At 31 December 2016/ 1 January 2017	272,680	5,500	1,391,920	1,670,100
Additions	-	1,423	18,830	20,253
Exchange difference	(452)	-	-	(452)
At 31 December 2017	272,228	6,923	1,410,750	1,689,901
Depreciation				
At 1 January 2016	54,894	2,217	1,103,902	1,161,013
Depreciation for the year	43,636	1,099	87,928	132,663
Exchange difference	272	-	-	272
At 31 December 2016/ 1 January 2017	98,802	3,316	1,191,830	1,293,948
Depreciation for the year	42,827	1,112	66,207	110,146
Exchange difference	(346)	-	-	(346)
At 31 December 2017	141,283	4,428	1,258,037	1,403,748
Carrying amounts				
At 1 January 2016	142,877	3,283	288,018	434,178
At 31 December 2016/ 1 January 2017	173,878	2,184	200,090	376,152
At 31 December 2017	130,945	2,495	152,713	286,153

3. PROPERTY AND EQUIPMENT (CONT'D)

Company	Computers RM	Office equipment RM	Renovations RM	Total RM
Cost				
At 1 January 2016	43,280	4,841	701,988	750,109
Additions	74,450	-	-	74,450
At 31 December 2016/ 1 January 2017	117,730	4,841	701,988	824,559
Additions	-	1,423	18,830	20,253
At 31 December 2017	117,730	6,264	720,818	844,812
Depreciation				
At 1 January 2016	18,857	1,813	320,971	341,641
Depreciation for the year	33,196	968	87,928	122,092
At 31 December 2016/ 1 January 2017	52,053	2,781	408,899	463,733
Depreciation for the year	34,265	991	66,207	101,463
At 31 December 2017	86,318	3,772	475,106	565,196
Carrying amounts				
At 1 January 2016	24,423	3,028	381,017	408,468
At 31 December 2016/ 1 January 2017	65,677	2,060	293,089	360,826
At 31 December 2017	31,412	2,492	245,712	279,616

4. INVESTMENT PROPERTIES

	Group and Company 2017 RM	2016 RM
At 1 January	20,188,000	20,188,000
Change in fair value recognised in profit or loss	(300,000)	-
At 31 December	19,888,000	20,188,000

Included in the above are:

	Group and Company 2017 RM	2016 RM
At fair value		
Freehold land	14,900,000	14,900,000
Buildings	4,988,000	5,288,000
	19,888,000	20,188,000

Investment properties comprise freehold land and buildings that are leased to third party during the financial year and the same tenancy agreement has lapsed in January 2018.

4. INVESTMENT PROPERTIES (CONT'D)

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

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Rental income	14	1,757,453	2,183,216	1,763,113	2,204,937
Direct operating expenses:					
- income generating investment properties		(943,231)	(892,511)	(943,231)	(892,511)

Fair value information
Fair value of investment properties are categorised as follows:

	2017 Level 3 RM	2016 Level 3 RM
Group and Company		
Freehold land	14,900,000	14,900,000
Buildings	4,988,000	5,288,000
	19,888,000*	20,188,000*

* RM19,500,000 (2016: RM19,800,000) is determined by external and independent property valuers.

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

	Group and Company 2017 RM	2016 RM
At 1 January	20,188,000	20,188,000
Gains and losses recognised in profit or loss:		
Change in fair value	(300,000)	-
At 31 December	19,888,000	20,188,000

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, age (time factor) and location.	Premium made for differences in: 1) Age (Time factor) = 0.0% - 7.5% 2) Location = (35.0%) – (10.0%)	The estimated fair value would increase/(decrease) if premium made for differences in age (time factor) and location was higher/(lower).

4. INVESTMENT PROPERTIES (CONT'D)

Fair value information (cont'd)

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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 shopoffices/medium-rise office buildings in the vicinity of the property.	1) Void periods = 1 month per year 2) Risk-adjusted discount rate = 4.25%	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 external, independent property valuers, 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. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	RM	RM
At cost	16,168,838	2,144,451
Less: Accumulated impairment losses	(2,144,451)	(2,144,451)
	14,024,387	-

During the year, the Company has increased its investment in JcbNext Pte. Ltd. by RM14,024,387 (2016: nil) by way of cash consideration of RM6,443,637 and capitalisation of amount due from this subsidiary of RM7,580,750.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2017 %	2016 %
Autoworld.com.my Sdn. Bhd.	Malaysia	Automobile online advertising services	100	100
JcbNext Pte. Ltd. *	Singapore	Investment Holding	100	100
JobStreet.com India Pvt. Ltd. **	India	Ceased operations	100	100
JS Overseas Holdings Limited **	British Virgin Islands	Investment Holding	100	100
Greenfield Japan Kabushiki Kaisha **	Japan	Search and selection, staffing and career consultancy	60	60

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

* 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. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
At cost:				
Investments in associates:				
Quoted shares	83,744,287	83,744,287	83,744,287	83,744,287
Share of post-acquisition profits	12,985,686	14,279,805	-	-
Post acquisition foreign exchange translation reserve	23,129,408	25,258,029	-	-
Post acquisition capital reserve	1,964,251	1,882,717	-	-
	121,823,632	125,164,838	83,744,287	83,744,287

Details of material associates are as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2017 %	2016 %
Innity Corporation Berhad*	Malaysia	Provider of interactive online marketing platforms and technologies for advertisers and publishers	21.13	21.13
104 Corporation#	Taiwan	Provider of advertising and consultancy services	22.98	22.95

* Audited by firms of auditors other than KPMG International
\# Audited by other member firms of KPMG International

6. INVESTMENTS IN ASSOCIATES (CONT'D)

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

2017	Innity Corporation Berhad RM	104 Corporation RM
As at 31 December		
Non-current assets	9,352,095	32,401,901
Current assets	60,071,729	288,024,602
Non-current liabilities	(1,116,075)	(986,738)
Current liabilities	(32,026,284)	(109,630,289)
Non-controlling interest	(1,947,470)	(1,023,127)
Net assets	34,333,995	208,786,349
Year ended 31 December		
Profit for the year	1,208,862	44,931,244
Other comprehensive income	(2,273,074)	270,173
Total comprehensive income	(1,064,212)	45,201,417
Included in comprehensive income is		
Revenue	101,623,527	210,671,316

	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	7,256,147	47,972,631	55,228,778
Goodwill	4,946,718	47,868,950	52,815,668
Effects of exchange rate fluctuations	-	13,779,186	13,779,186
Carrying amount in the statement of financial position	12,202,865	109,620,767	121,823,632
Group's share of results for the year ended 31 December			
Group's share of profit	255,481	10,323,807	10,579,288
Group's share of comprehensive income	(480,391)	62,077	(418,314)
	(224,910)	10,385,884	10,160,974
Other information			
Dividend received by the Group	-	11,665,784	

6. INVESTMENTS IN ASSOCIATES (CONT'D)

Summarised financial information (cont'd)

2016	Innity Corporation Berhad RM	104 Corporation RM
As at 31 December		
Non-current assets	7,377,923	35,461,200
Current assets	62,233,657	285,630,605
Non-current liabilities	(1,044,183)	(622,781)
Current liabilities	(32,659,552)	(101,622,403)
Non-controlling interest	(509,638)	(975,374)
Net assets	35,398,207	217,871,247
Year ended 31 December		
Profit for the year	4,337,059	50,125,736
Other comprehensive income	439,901	30,126,685
Total comprehensive income	4,776,960	80,252,421
Included in comprehensive income is		
Revenue	95,650,853	202,501,618

	Innity Corporation Berhad RM	104 Corporation RM	Total RM
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	7,481,057	50,008,205	57,489,262
Goodwill	4,946,718	47,868,950	52,815,668
Effects of exchange rate fluctuations	-	14,859,908	14,859,908
Carrying amount in the statement of financial position	12,427,775	112,737,063	125,164,838
Group's share of results for the year ended 31 December			
Group's share of profit	916,594	11,769,523	12,686,117
Group's share of comprehensive income	92,969	7,073,746	7,166,715
	1,009,563	18,843,269	19,852,832
Other information			
Dividend received by the Group	-	7,758,184	

7. INVESTMENT IN A JOINT VENTURE

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
At cost:				
Investment in a joint venture:				
Unquoted shares	3,316,465	3,316,465	3,316,465	3,316,465
Less: Impairment loss	-	-	(3,316,465)	(3,316,465)
Share of post-acquisition profits	(3,155,673)	(3,155,673)	-	-
Post acquisition foreign exchange translation reserve	(160,792)	(160,792)	-	-
	-	-	-	-

JobStreet Recruitment (Thailand) Co., Ltd. ("JobStreet Thailand"), the only joint arrangement in which the Group participates, is principally engaged in online recruitment and human resource management services. JobStreet Thailand is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group classified the investment in JobStreet Thailand as a joint venture. The liquidation process of JobStreet Thailand was completed during the financial year.

8. OTHER INVESTMENTS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Non-current				
Available-for-sale financial assets	62,437,937	59,387,229	58,989,811	55,577,595
Less: Impairment loss	(3,246,800)	(3,587,200)	-	-
	59,191,137	55,800,029	58,989,811	55,577,595
Current				
Financial assets at fair value through profit or loss - held for trading	48,580,485	94,379,859	48,580,485	94,379,859
	107,771,622	150,179,888	107,570,296	149,957,454

9. DEFERRED TAX LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Assets 2017 RM	Assets 2016 RM	Liabilities 2017 RM	Liabilities 2016 RM	Net 2017 RM	Net 2016 RM
Property and equipment	-	-	(10,299)	(8,544)	(10,299)	(8,544)
Investment properties	-	-	(259,500)	(274,500)	(259,500)	(274,500)
Provisions	220,560	195,824	-	-	220,560	195,824
Tax assets/(liabilities)	220,560	195,824	(269,799)	(283,044)	(49,239)	(87,220)
Set off of tax	(220,560)	(195,824)	220,560	195,824	-	-
Net tax assets/ (liabilities)	-	-	(49,239)	(87,220)	(49,239)	(87,220)

Movement in temporary differences during the year

Group and Company	At 1.1.2016 RM	Recognised in profit or loss (Note 18) RM	At 31.12.2016/ 1.1.2017 RM	Recognised in profit or loss (Note 18) RM	At 31.12.2017 RM
Property and equipment	(7,907)	(637)	(8,544)	(1,755)	(10,299)
Investment properties	(274,500)	-	(274,500)	15,000	(259,500)
Provisions	134,907	60,917	195,824	24,736	220,560
	(147,500)	60,280	(87,220)	37,981	(49,239)

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 2017 RM	Group 2016 RM
Deductible temporary difference	13,000	10,000
Tax losses carry-forward	10,792,000	8,743,000
Unabsorbed capital allowances	22,000	22,000
	10,827,000	8,775,000

The tax losses carry forward and unabsorbed capital allowances do not expire under current tax legislation.

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Trade					
Trade receivables		130,968	178,308	-	76,430
Non-trade					
Amount due from subsidiaries	a	-	-	5,711,574	11,773,440
Less: Impairment losses		-	-	(5,711,574)	(11,715,043)
		-	-	-	58,397
Other receivables		1,131,909	660,105	876,520	373,044
		1,131,909	660,105	876,520	431,441
		1,262,877	838,413	876,520	507,871

Note a

The amount due from subsidiaries is unsecured, subject to interest at KLIBOR + 1% (2016: KLIBOR + 1%) and repayable on demand.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Deposits with licensed banks	32,027,775	313,231	25,953,175	251,686
Cash and bank balances	9,746,816	2,882,298	8,853,224	2,152,330
	41,774,591	3,195,529	34,806,399	2,404,016

12. CAPITAL AND RESERVES

	Group and Company			
Share capital	Amount 2017 RM	Number of shares 2017	Amount 2016 RM	Number of shares 2016
Ordinary shares, issued and fully paid:				
At 1 January	70,000,000	140,000,000	70,000,000	140,000,000
Transfer from share premium and capital redemption reserve in accordance with Section 618 (2) of the Companies Act 2016 (Note 1)	126,619,727	-	-	-
Cancellation of treasury shares	-	(350,000)	-	-
At 31 December	196,619,727	139,650,000	70,000,000	140,000,000

12. CAPITAL AND RESERVES (CONT'D)

The new Companies Act 2016 ("the Act") which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Pursuant to Section 74 of the Act, all shares issued before or upon the commencement of the Act shall have no par or nominal value.

There is no impact to the number of ordinary shares in issue or entitlement of the members as a result of this transition.

Note 1: In accordance with Section 618(3) of the Companies Act 2016, any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company's share capital. The Company has twenty-four months after the commencement of Section 74 of the Companies Act 2016 on 31 January 2017 to utilise the credit.

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 and rank equally with regard to the Company's residual assets only to the extent of the par value of the shares. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares in 2016.

Capital reserve

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

Capital redemption reserve

The capital redemption reserve arises from the cancellation of treasury shares in accordance with Section 67A of the Companies Act, 1965 in 2016.

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 available-for-sale financial assets until the investments are derecognised or impaired.

Revaluation reserve

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

12. CAPITAL AND RESERVES (CONT'D)

Treasury shares

During the financial year, the Company bought back from the open market, 207,700 (2016: 1,000) of its issued ordinary shares ("JcbNext Shares") listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM1.74 (2016: RM1.78) per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM360,983 (2016: RM1,780) and was financed by internally generated funds. On 27 December 2017, the Company cancelled 350,000 treasury shares being JcbNext Shares bought back during the current and preceding financial years in accordance with Section 127 Subsection 4(a) of the Companies Act 2016.

13. OTHER PAYABLES

		Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Non-trade					
Deferred income	13.1	105,419	-	105,419	-
Amount due to a director of a subsidiary	13.2	24,333	160,845	-	-
Other payables and accrued expenses		1,693,278	2,114,019	1,165,497	1,418,007
		1,823,030	2,274,864	1,270,916	1,418,007

13.1 Deferred income comprises rental income received in advance.

13.2 Amount due to a director of a subsidiary is unsecured, interest-free and repayable on demand.

14. REVENUE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Services	960,137	1,486,445	-	392,448
Rental income from investment properties	1,757,453	2,183,216	1,763,112	2,204,937
Dividends from other investments - quoted	3,308,018	1,964,756	3,308,018	1,964,756
Dividends from an associate - quoted	-	-	11,665,784	7,758,184
Investment distribution income	2,701,947	2,208,447	2,701,947	2,208,447
Interest income	1,167,837	1,388,194	1,433,321	1,681,929
	9,895,392	9,231,058	20,872,182	16,210,701

15. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors				
- Fees	213,000	224,833	213,000	224,833
- Remuneration	950,705	1,123,073	124,176	124,988
	1,163,705	1,347,906	337,176	349,821
Other key management personnel:				
- Remuneration	2,126,955	2,327,591	1,483,776	1,567,480
	3,290,660	3,675,497	1,820,952	1,917,301

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

16. STAFF COSTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Staff costs (including key management personnel compensation):				
Salaries and other employee benefits	3,951,051	4,558,722	2,374,486	2,505,326
Contributions to state plans	253,626	265,859	203,072	180,084
	4,204,677	4,824,581	2,577,558	2,685,410

17. PROFIT BEFORE TAX

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax is arrived at after charging:				
Auditors' remuneration				
- Audit fees				
KPMG Malaysia	102,000	94,500	93,000	86,500
Other auditors	13,229	12,741	-	-
- Non-audit fees				
KPMG Malaysia	8,000	16,000	8,000	16,000
Local affiliates of KPMG Malaysia	-	5,177	-	5,177
Overseas affiliates of KPMG Malaysia	64,386	-	64,386	-
- under provision in prior years	-	112,791	-	112,791
Other auditors	-	2,998	-	-
Depreciation on property and equipment	110,146	132,663	101,463	122,092
Impairment loss on amounts due from subsidiaries	-	-	80,000	3,119,486
Loss on dilution of interest in an associate	-	785,609	-	-
Realised foreign exchange loss	-	1,063,024	-	1,055,360
Unrealised foreign exchange loss	3,814,224	-	4,680,523	-
and after crediting:				
Gain on disposal of investments in quoted shares	138,322	-	138,322	-
Gain on accretion of interest in an associate	52,180	-	-	-
Reversal of impairment loss on:				
- trade receivables	6,180	63,423	6,180	33,030
- amount due to subsidiaries	-	-	6,083,459	-
Realised foreign exchange gain	76,852	-	382,950	-
Unrealised foreign exchange gain	-	3,506,941	-	3,506,940
Interest income	7,474	13,141	-	-

18. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Income tax expense on continuing operations	1,976,950	1,930,477	1,968,967	1,924,150
Current tax expense				
Malaysia - current year	519,237	628,601	519,237	628,601
- prior year	(7,490)	361,168	(7,490)	361,168
Overseas - current year	1,503,184	1,000,988	1,495,201	994,661
Total current tax recognised in profit or loss	2,014,931	1,990,757	2,006,948	1,984,430
Deferred tax expense				
Reversal of temporary differences	(37,981)	(60,280)	(37,981)	(60,280)
Total tax expense	1,976,950	1,930,477	1,968,967	1,924,150

Reconciliation of tax expense

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Profit for the year	6,864,653	11,414,698	15,384,592	6,750,969
Total tax expense	1,976,950	1,930,477	1,968,967	1,924,150
Share of profit of equity-accounted associates, and net of tax	(10,579,288)	(12,686,117)	-	-
Adjusted (loss)/profit before tax	(1,737,685)	659,058	17,353,559	8,675,119
Tax calculated using Malaysian tax rate of 24% (2016: 24%)	(417,045)	158,174	4,164,854	2,082,028
Effect of tax rates in foreign jurisdictions*	117,680	151,562	-	-
Effect of changes in tax rate	-	24,271	-	9,609
Effect of deferred tax assets not recognised	358,611	453,833	-	-
Non-taxable income	(1,606,184)	(1,072,065)	(4,405,972)	(2,934,029)
Non-deductible expenses	2,035,080	858,873	722,374	1,410,713
Taxes arising in foreign jurisdictions	1,496,298	994,661	1,495,201	994,661
	1,984,440	1,569,309	1,976,457	1,562,982
(Over)/Under provided in prior year	(7,490)	361,168	(7,490)	361,168
Tax expense	1,976,950	1,930,477	1,968,967	1,924,150

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

19. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 31 December 2017 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group 2017 RM	Group 2016 RM
Profit for the year attributable to owners of the Company	6,816,696	11,351,763
Issued ordinary shares at 1 January	140,000,000	140,000,000
Effect of treasury shares held	(177,798)	(141,882)
Weighted average number of ordinary shares at 31 December	139,822,202	139,858,118
Basic earnings per ordinary share (sen)	4.88	8.12

Diluted earnings per ordinary share

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

20. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2017			
Final 2016 single tier	2.00 per 50 sen share	2,797,362	27 July 2017
2016			
Fourth interim 2015 single tier	0.625 per 50 sen share	874,386	24 March 2016
Final 2015 single tier	1.00 per 50 sen share	1,398,840	30 June 2016
Total amount		2,273,226	

The Directors recommend the payment of a final single tier dividend of 4.5 sen per ordinary share amounting to RM6,284,250 in respect of the financial year ended 31 December 2017. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2017, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

21. OPERATING SEGMENTS

The information reported to the Group's chief operating decision maker, who is also the Group's Chief Executive Officer, for the purposes of resource allocation and assessment of performance is segregated according to the following segments:

Investment holding	Includes equity investments, property investments, treasury investments, investment in associates, and property leasing
Others	Includes online advertising and contract staffing

Segment profit

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

Segment assets

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

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

Segment liabilities

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

Segment capital expenditure

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

21. OPERATING SEGMENTS (CONT'D)

2017	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	1,757,453	960,137	-	2,717,590
Inter-segment revenue	5,660	-	(5,660)	-
Dividends	14,973,802	-	(11,665,784)	3,308,018
Investment distribution income	2,701,947	-	-	2,701,947
Interest income	1,167,837	-	-	1,167,837
Inter-segment interest income	265,483	-	(265,483)	-
Revenue for the year	20,872,182	960,137	(11,936,927)	9,895,392
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	10,002,047	(119,950)	(11,105,583)	(1,223,486)
Interest income	2,696	4,778	-	7,474
Loss on financial assets classified as fair value through profit or loss	(412,175)	-	-	(412,175)
Gain on accretion of interest in associate	52,180	-	-	52,180
Loss on changes in fair value of investment properties	(300,000)	-	-	(300,000)
Gain on disposal of investments in quoted shares	138,322	-	-	138,322
Reversal of impairment on amounts due from subsidiaries	6,003,469	-	(6,003,469)	-
Share of profit of equity accounted associates	10,579,288	-	-	10,579,288
Profit before tax	26,065,827	(115,172)	(17,109,052)	8,841,603
Income tax expense	(1,968,967)	(7,983)	-	(1,976,950)
Profit for the year	24,096,860	(123,155)	(17,109,052)	6,864,653
Segment assets	350,500,430	564,599	(14,024,737)	337,040,292
Included in the measure of segment assets are:				
Investment in associates	121,823,632	-	-	121,823,632
Non-current assets other than financial instruments and deferred tax assets	20,173,548	605	-	20,174,153
Additions to non-current assets other than financial instruments and deferred tax assets	20,253	-	-	20,253
Other segment information				
Depreciation of property and equipment	108,096	2,050	-	110,146

21. OPERATING SEGMENTS (CONT'D)

2016	Investment holding RM	Others RM	Eliminations RM	Consolidated RM
Segment revenue				
Revenue from external customers	2,183,216	1,486,445	-	3,669,661
Inter-segment revenue	21,720	-	(21,720)	-
Dividends	9,722,940	-	(7,758,184)	1,964,756
Investment distribution income	2,208,447	-	-	2,208,447
Interest income	1,388,194	-	-	1,388,194
Inter-segment interest income	293,735	-	(293,735)	-
Revenue for the year	15,818,252	1,486,445	(8,073,639)	9,231,058
Segment profit/(loss)				
Operating profit/(loss) for reportable segments	11,019,228	(52,661)	(7,758,184)	3,208,383
Interest income	215	12,926	-	13,141
Loss on financial assets classified as fair value through profit or loss	(1,776,857)	-	-	(1,776,857)
Loss on dilution of interest in an associate	(785,609)	-	-	(785,609)
Impairment loss on amounts due from subsidiaries	(3,119,486)	-	3,119,486	-
Share of profit of equity accounted associates	12,686,117	-	-	12,686,117
Profit before tax	18,023,608	(39,735)	(4,638,698)	13,345,175
Income tax expense	(1,905,249)	(25,228)	-	(1,930,477)
Profit for the year	16,118,359	(64,963)	(4,638,698)	11,414,698
Segment assets	332,574,505	906,944	(58,397)	333,423,052
Included in the measure of segment assets are:				
Investment in associates	125,164,838	-	-	125,164,838
Non-current assets other than financial instruments and deferred tax assets	20,561,497	2,655	-	20,564,152
Additions to non-current assets other than financial instruments and deferred tax assets	74,450	-	-	74,450
Other segment information				
Depreciation of property and equipment	128,475	4,188	-	132,663

22. FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

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

(a) Loans and receivables ("L&R");
(b) Fair value through profit or loss ("FVTPL") – Held for trading ("HFT");
(c) Available-for-sale financial assets ("AFS"); and
(d) Financial liabilities measured at amortised cost ("FL").

2017	Carrying amount RM	L&R RM	FVTPL -HFT RM	AFS RM
Financial assets				
Group				
Other investments	107,771,622	-	48,580,485	59,191,137
Trade receivables, other receivables and other assets (excluding prepayment)	1,317,576	1,317,576	-	-
Deposits with licensed bank with original maturities more than three months	44,110,400	44,110,400	-	-
Cash and cash equivalents	41,774,591	41,774,591	-	-
	194,974,189	87,202,567	48,580,485	59,191,137
Company				
Other investments	107,570,296	-	48,580,485	58,989,811
Trade receivables, other receivables and other assets (excluding prepayment)	910,039	910,039	-	-
Deposits with licensed banks with original maturities more than three months	44,110,400	44,110,400	-	-
Cash and cash equivalents	34,806,399	34,806,399	-	-
	187,397,134	79,826,838	48,580,485	58,989,811

2017	Carrying amount RM	FL RM
Financial liabilities		
Group		
Other payables (excluding deferred income)	(1,717,611)	(1,717,611)
Company		
Other payables (excluding deferred income)	(1,165,497)	(1,165,497)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.1 Categories of financial instruments (cont'd)

2016	**Carrying amount RM**	**L&R RM**	**FVTPL -HFT RM**	**AFS RM**
Financial assets				
Group				
Other investments	150,179,888	-	94,379,859	55,800,029
Trade, other receivables and other assets (excluding prepayment)	893,558	893,558	-	-
Deposits with licensed banks with original maturities more than three months	33,181,600	33,181,600	-	-
Cash and cash equivalents	3,195,529	3,195,529	-	-
	187,450,575	37,270,687	94,379,859	55,800,029
Company				
Other investments	149,957,454	-	94,379,859	55,577,595
Trade, other receivables and other assets (excluding prepayment)	539,710	539,710	-	-
Deposits with licensed banks with original maturities more than three months	33,181,600	33,181,600	-	-
Cash and cash equivalents	2,404,016	2,404,016	-	-
	186,082,780	36,125,326	94,379,859	55,577,595

2016	**Carrying amount RM**	**FL RM**
Financial liabilities		
Group		
Other payables	(2,274,864)	(2,274,864)
Company		
Other payables	(1,418,007)	(1,418,007)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Net (losses)/gains on:				
Fair value through profit or loss:				
- held for trading	(412,175)	(1,776,857)	(412,175)	(1,776,857)
Available-for-sale financial assets:				
- recognised in other comprehensive income	2,687,224	10,361,117	2,687,224	10,361,117
Loans and receivables	(2,555,881)	3,908,675	3,145,397	1,047,053
	(280,832)	12,492,935	5,420,446	9,631,313

22.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its other investments and receivables from customers. The Company's exposure to credit risk arises principally from its other investments, trade receivables, advances to subsidiaries and financial guarantees given to banks for credit facilities granted to a subsidiary.

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.

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

Receivables (cont'd)

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 180 days, which are deemed to have higher credit risk, are monitored individually.

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

	Group	
	2017	**2016**
	RM	**RM**
Malaysia	65	82,920
Others	130,903	95,388
	130,968	178,308

Impairment losses

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

Group	**Gross RM**	**Impairment losses RM**	**Net RM**
2017			
Not past due	130,968	-	130,968
Past due 1 - 30 days	-	-	-
Past due 31 - 180 days	-	-	-
Past due more than 180 days	600	(600)	-
	131,568	(600)	130,968
2016			
Not past due	101,876	-	101,876
Past due 1 - 30 days	2	-	2
Past due 31 - 180 days	69,430	-	69,430
Past due more than 180 days	13,780	(6,780)	7,000
	185,088	(6,780)	178,308

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

Receivables (cont'd)

Exposure to credit risk and credit quality (cont'd)

Company	Gross RM	Impairment losses RM	Net RM
2017			
Not past due	-	-	-
Past due 1 - 30 days	-	-	-
Past due 31 - 180 days	-	-	-
Past due more than 180 days	600	(600)	-
	600	(600)	-
2016			
Not past due	-	-	-
Past due 1 - 30 days	-	-	-
Past due 31 - 180 days	69,430	-	69,430
Past due more than 180 days	13,780	(6,780)	7,000
	83,210	(6,780)	76,430

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 January	6,780	70,203	6,780	39,810
Impairment loss reversed	(6,180)	(63,423)	(6,180)	(33,030)
At 31 December	600	6,780	600	6,780

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

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk and credit quality

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

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

The investments and other financial assets are unsecured.

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

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.

22.5 Liquidity risk

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

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

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

Maturity analysis

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

	Carrying amount RM	**Contractual interest rate %**	**Contractual cash flows RM**	**Within 1 year RM**
2017				
Group				
Non-derivative financial liabilities				
Other payables	1,717,611	-	1,717,611	1,717,611
Company				
Non-derivative financial liabilities				
Other payables	1,165,497	-	1,165,497	1,165,497

22. FINANCIAL INSTRUMENTS (CONT'D)

22.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM
2016				
Group				
Non-derivative financial liabilities				
Other payables	2,274,864	-	2,274,864	2,274,864
Company				
Non-derivative financial liabilities				
Other payables	1,418,007	-	1,418,007	1,418,007

22.6 Market risk

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

22.6.1 Currency risk

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

Exposure to foreign currency risk

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash and cash equivalents and deposits with licensed banks with original maturities more than 3 months held in:				
USD	17,482,492	34,083,575	17,478,193	34,079,182
HKD	47,931	6,039	47,931	6,039
SGD	18,431,074	34,305	18,431,074	34,305
Exposure in the statements of financial position	35,961,497	34,123,919	35,957,198	34,119,526

22. FINANCIAL INSTRUMENTS (CONT'D)

22.6 Market risk (cont'd)

22.6.1 Currency risk (cont'd)

Currency risk sensitivity analysis

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

A 7.5% (2016: 7.5%) strengthening of the RM against the USD, HKD and SGD at the end of the reporting period would have decreased pre-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variance that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Group		Company	
	2017 Profit or loss RM	2016 Profit or loss RM	2017 Profit or loss RM	2016 Profit or loss RM
USD	(1,311,187)	(2,556,268)	(1,310,865)	(2,555,939)
HKD	(3,595)	(453)	(3,595)	(453)
SGD	(1,382,331)	(2,573)	(1,382,331)	(2,573)

A 7.5% (2016: 7.5%) weakening of RM against the USD, HKD and SGD at the end of the reporting period would have had equal but opposite effect on the USD, HKD and SGD to the amounts shown above, on the basis that all other variables remained constant.

22.6.2 Interest rate risk

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

Deposits are placed with licensed banks with varying maturity dates.

Exposure to interest rate risk

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Fixed rate instruments				
Financial assets				
Deposits with licensed banks with original maturities:				
- more than 3 months	44,110,400	33,181,600	44,110,400	33,181,600
- 3 months or less	32,027,775	313,231	25,953,175	251,686
	76,138,175	33,494,831	70,063,575	33,433,286

22. FINANCIAL INSTRUMENTS (CONT'D)

22.6 Market risk (cont'd)

22.6.2 Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

22.6.3 Other price risk

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

Risk management objectives, policies and processes for managing the risk

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

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 and Hong Kong.

A 10% (2016: 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:

	2017		2016	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
Long term other investments	5,919,114	-	5,580,003	-
Short term other investments	4,858,049	4,858,049	9,437,986	9,437,986
Company				
Long term other investments	5,898,981	-	5,557,759	-
Short term other investments	4,858,049	4,858,049	9,437,986	9,437,986

A 10% (2016: 10%) weakening in the abovementioned stock exchanges and financial markets would have had equal but opposite effect on equity and profit or loss respectively.

22. FINANCIAL INSTRUMENTS (CONT'D)

22.7 Fair value information

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

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

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2017	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group and Company										
Financial assets										
Investments in quoted shares	104,871,217	-	-	104,871,217	-	-	-	-	104,871,217	104,871,217
2016										
Group and Company										
Financial assets										
Investments in quoted shares	149,928,379	-	-	149,928,379	-	-	-	-	149,928,379	149,928,379

22. FINANCIAL INSTRUMENTS (CONT'D)

22.7 Fair value information (cont'd)

22.7.1 Fair value hierarchy

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

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

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

Transfer between Level 1 and Level 2 fair values
There has been no transfer between Level 1 and Level 2 fair values during the financial year (2016: no transfer in either direction).

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

23. CAPITAL MANAGEMENT

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

24. CAPITAL COMMITMENTS

	Group and Company	
	2017	**2016**
	RM	**RM**
Investment in unquoted shares		
Contracted but not provided for:	1,334,443	2,212,925

25. RELATED PARTIES

Identity of related parties

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

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

25. RELATED PARTIES (CONT'D)

Identity of related parties (cont'd)

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

Significant related party transactions

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

	Transactions value year ended 31 December	
	2017	**2016**
Group and Company	**RM**	**RM**
SEEK International Pty Ltd* Group		
Operational support services	-	145,772
Provision of office space and facilities	-	119,936
Cost of services sold	-	223,420
Rental income	-	(1,985,659)
Associate		
Sale of services	(496)	(6,847)
Company		
Subsidiaries		
Rental income	(5,660)	(21,720)

* Substantial shareholder of the Company until 25 November 2016

Balances with subsidiaries are as disclosed in Note 10.

26. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform to the current year's presentation. The reclassifications made are as follows:

	Group		Company	
	As restated RM	As previously stated RM	As restated RM	As previously stated RM
Statements of financial position				
Fixed deposits with original maturities more than three months	33,181,600	-	33,181,600	-
Cash and cash equivalents	3,195,529	36,377,129	2,404,016	35,585,616
Statements of profit or loss and other comprehensive income				
Revenue	9,231,058	7,842,864	16,210,701	14,528,772
Results from operating activities	3,208,383	1,820,189	13,571,462	11,889,533
Interest income	13,141	1,401,335	-	1,681,929
Statements of cash flows				
Net cash used in investing activities	(93,043,948)	(59,862,348)	(93,043,948)	(59,862,348)
Net decrease in cash and cash equivalents	(101,696,324)	(68,514,724)	(98,826,273)	(65,644,673)
Cash and cash equivalents at end of year	3,195,529	36,377,129	2,404,016	35,585,616

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 39 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2017 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:

LIM CHAO LI
Director

CHANG MUN KEE
Director

Kuala Lumpur

Date: 24 April 2018

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

I, **Gregory Charles Poarch**, the officer primarily responsible for the financial management of JcbNext Berhad, do solemnly and sincerely declare that the financial statements set out on pages 39 to 98 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 24 April 2018.

GREGORY CHARLES POARCH

Before me:

Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

to the members of **JcbNext Berhad**
(Company No. 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 statements of financial position as at 31 December 2017 of the Group and of the Company, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 39 to 98.

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 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and 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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Investment in an associate

Refer to Note 2(a)(vi) – Significant accounting policies: "Associates" and Note 6 - Investments in associates.

The key audit matter

The Group owns 22.98% 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 2017 was RM10,385,884 and with carrying amounts of RM109,620,767. This associate has contributed approximately 144% and 33% to the Group's total comprehensive income and total assets respectively 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 (cont'd)

The key audit matter (cont'd)

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 performed the following audit procedures, among others:

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of the Directors for the Financial Statements

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

Responsibilities of the Directors for the Financial Statements (cont'd)

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 5 to the financial statements.

Other Matter

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

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

Chong Dee Shiang
Approval Number: 02782/09/2018 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 24 April 2018

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Carrying Value as at 31.12.2017 (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	19,500,000	6.12.2005
19, Jalan Sasa 3, Taman Gaya, 81800 Ulu Tiram, Johor Darul Takzim	2-storey shop office	Office	10	357	Freehold	388,000	19.5.2006

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2018

Total Number of Issued Shares	:	139,650,000.00*
Class of Share	:	Ordinary shares
Voting Right	:	One vote per ordinary share held

* Inclusive of 254,500 treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%#
Less than 100 shares	284	14.45	12,103	0.01
100 – 1,000 shares	652	33.18	374,974	0.27
1,001 – 10,000 shares	728	37.05	3,035,652	2.18
10,001 – 100,000 shares	227	11.55	7,536,168	5.41
100,001 to less than 5% of issued shares#	71	3.61	46,232,963	33.17
5% and above of issued shares	3	0.15	82,203,640	58.97
Total	**1,965**	**100.00**	**139,395,500**	**100.00**

\# Excludes 254,500 ordinary shares bought back by the Company and held as treasury shares as at 30 March 2018

SUBSTANTIAL SHAREHOLDERS
(As per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%#**	**Indirect**	**%#**
Chang Mun Kee	70,229,494	50.38	4,705,000*	3.38
Wong Siew Hui	12,200,626	8.75	-	-

* Registered in the name of HSBC Trustee (S) Ltd for Voyager Asset Limited, the trustee of a discretionary trust for estate planning purposes, the beneficiaries of which are members of Mr. Chang Mun Kee's family and himself.

\# Excludes 254,500 ordinary shares bought back by the Company and held as treasury shares as at 30 March 2018

DIRECTORS' SHAREHOLDINGS
(As per register of directors' shareholdings)

	No. of Shares Held			
Name of Directors	**Direct**	**%#**	**Indirect**	**%#**
Datuk Ali bin Abdul Kadir	740,000	0.53	42,000 *	0.03
Teo Koon Hong	-	-	-	-
Chang Mun Kee	70,229,494	50.38	4,705,000**	3.38
Lim Chao Li	500,000	0.36	-	-

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

** Registered in the name of HSBC Trustee (S) Ltd for Voyager Asset Limited, the trustee of a discretionary trust for estate planning purposes, the beneficiaries of which are members of Mr. Chang Mun Kee's family and himself.

Excludes 254,500 ordinary shares bought back by the Company and held as treasury shares as at 30 March 2018

30 LARGEST SHAREHOLDERS

	Name	**No. of Shares Held**	**%**
1.	AMSEC Nominees (Tempatan) Sdn Bhd *Ambank (M) Berhad for Chang Mun Kee (5032-1101)*	57,082,864	40.95
2.	Citigroup Nominees (Tempatan) Sdn Bhd *UBS AG Singapore for Chang Mun Kee*	12,920,150	9.27
3.	Wong Siew Hui	12,200,626	8.75
4.	Citigroup Nominees (Asing) Sdn Bhd *PLL for Acacia Partners LP*	4,837,080	3.47
5.	HSBC Nominees (Asing) Sdn Bhd *EXEMPT AN for the Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)*	4,705,000	3.38
6.	Suresh A/L Thirugnanam	4,226,164	3.03
7.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt AN for Credit Suisse (SG BR-TST-TEMP)*	3,421,870	2.45
8.	Cartaban Nominees (Asing) Sdn Bhd *BBH (LUX) SCA for Fidelity Funds Asean*	3,031,160	2.17
9.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Credit Suisse (SG BR-TST-ASING)*	1,898,400	1.36
10.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Kuan Gin*	1,600,400	1.15
11.	Lin Hai Moh @ Lin See Yan	1,340,000	0.96
12.	Yeoh Liew Se	1,000,000	0.72

30 LARGEST SHAREHOLDERS (CONT'D)

	Name	No. of Shares Held	%
13.	Lee Sau Eng	915,600	0.66
14.	Lim Gaik Bway @ Lim Chiew Ah	870,700	0.62
15.	Yap Swee Hang	852,000	0.61
16.	Chua Leacy	824,700	0.59
17.	Yap Swee Hang	751,500	0.54
18.	Cartaban Nominees (Asing) Sdn Bhd *BBH (LUX) SCA for Fidelity Funds Malaysia*	711,200	0.51
19.	Yap Swee Hang	700,000	0.50
20.	Ng Kay Ian	651,558	0.47
21.	HLIB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Yap Swee Hang (CCTS)*	613,000	0.44
22.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Gaik Bway @ Lim Chiew Ah (Margin)*	600,000	0.43
23.	AmBank (M) Berhad *Pledged Securities Account for Ali bin Abdul Kadir (Smart)*	592,000	0.42
24.	Affin Hwang Nominees (Asing) Sdn Bhd *Exempt AN for DBS Vickers Securities (Singapore) Pte Ltd (Clients)*	507,000	0.36
25.	TMF Trustees Malaysia Berhad *JPOS Trust*	506,000	0.36
26.	Lim Chao Li	500,000	0.36
27.	Yeoh Phaik Seok	494,800	0.35
28.	Lim Eng Hock	451,000	0.32
29.	Yap Swee Hang	431,000	0.31
30.	Tay Kok Choon	407,258	0.29

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth ("14th") Annual General Meeting of JCBNEXT BERHAD ("JcbNext" or "the Company") will be held and convened at Wilayah 1, 1st Floor, Prescott Hotel Kuala Lumpur – Medan Tuanku, 23 Lorong Medan Tuanku 1, Off Jalan Sultan Ismail, 50300 Kuala Lumpur on Monday, 28 May 2018 at 3.00 p.m. to transact the following businesses:-

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 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 4.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2017

Ordinary Resolution 1

3. To approve the Directors' fees up to an aggregate amount of RM300,000.00 for the financial year ending 31 December 2018 and the payment thereof.

Ordinary Resolution 2

4. To re-elect Mr Chang Mun Kee who is retiring under Article 85 of the Articles of Association of the Company.

Ordinary Resolution 3

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

Ordinary Resolution 4

As Special Business

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

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

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

Ordinary Resolution 5

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

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

(i) the maximum aggregate number of ordinary shares in the Company ("JcbNext Shares") which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company, subject to the provisions of the Listing Requirements;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the JcbNext Shares under the Proposed Share Buy-Back shall not exceed the retained profits of the Company for the time being. Based on the audited financial statements of the Company for the financial year ended 31 December 2017, the audited retained profits of the Company stood at approximately RM70.46 million;

(iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

   a. the conclusion of the next AGM of the Company, following the general meeting at which this resolution was passed at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority;

   b. the expiration of the period within which the next AGM after that date is required by law to be held; or

   c. revoked or varied by ordinary resolution passed by the shareholders in general meeting,

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

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

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the purchase(s) of the

JcbNext Shares by the Company with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the JcbNext Shares."

Ordinary Resolution 6

8. **Authority for Datuk Ali bin Abdul Kadir to continue in office as Independent Non-Executive Director**

"THAT authority be and is hereby given to Datuk Ali Bin Abdul Kadir who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance ("MCCG)."

Ordinary Resolution 7

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 14th Annual General Meeting to be held on Monday, 28 May 2018, a Final Dividend of 4.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2017 will be paid to shareholders on 28 June 2018. The entitlement date for the said dividend shall be on 11 June 2018.

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

(a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 11 June 2018 in respect of the transfers; and

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

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
CHOONG LEE WAH (MAICSA 7019418)
Secretaries

Selangor Darul Ehsan
Date: 30 April 2018

NOTES :

1. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid. There shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), 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.

3. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer of attorney duly authorised.

4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Company's Share Registrar Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor

Darul Ehsan, not less than forty-eight hours (48) hours before the time for holding the meeting or any adjournment thereof.

5. In respect of deposited securities, only members whose names appear on the record of Depositors on 21 May 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, participate, speak and/or vote on his/her behalf.

6. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the resolutions set out in the Notice of the 14th AGM will be put to vote by way of poll.

EXPLANATORY NOTES ON THE SPECIAL BUSINESS

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 5 - Authority to Allot Shares pursuant to Section 76 of the Act

The Company had, during its Thirteenth AGM held on 29 June 2017, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of this notice, the Company has not issued any shares pursuant to that mandate.

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

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

3. Ordinary Resolution 6 on the Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares of up to 10% of the Total Number of Issued Shares

The proposed Ordinary Resolution 6, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of JcbNext Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 14th AGM is required by law to be held.

Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement of the Company dated 30 April 2018 which was despatched together with this Annual Report.

4. Ordinary Resolution No. 7 - Authority for Datuk Ali bin Abdul Kadir to continue in office as Independent Non-Executive Director

In respect of Ordinary Resolution 7, in observing the recommendation in relation to the tenure of an Independent Director as prescribed by MCCG, the Board of Directors ("Board") has via the Nomination Committee conducted an annual performance evaluation and assessment of Datuk Ali bin Abdul Kadir, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

(i) he has fulfilled the criteria under the definition on Independent Director as stated in the Listing Requirements, and therefore is able to bring independent and objective judgment to the Board;

(ii) he has been with the Company for more than twelve (12) years and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Audit and Risk Committee and Board meetings;

(iii) he has contributed sufficient time and efforts and attended all the Committee and Board meetings to ensure informed and balanced decision making;

(iv) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and discharged his professional and fiduciary duties in the best interest of the Company and shareholders; and

(v) the current Independent Directors are strong individuals demonstrating independence. Independence is a result of a Director's state of mind and integrity and not dependent on years of service. The experience of the Independent Directors in the Group is valuable for determining the strategic direction for the continued stability and growth.

Personal data privacy:

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

PROXY FORM

JCBNEXT BERHAD
(Company No. 641378-W)
(Incorporated in Malaysia)

No. of Shares	
CDS Account No.	

I/We, ... (NRIC No. / Company No.: ....)
of ....
being a member of JCBNEXT BERHAD, hereby appoint ………………………………………………………………………………………
....
of ……..
or failing him/her, …...
of ....
or failing him/her, *the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Wilayah 1, 1st Floor, Prescott Hotel Kuala Lumpur – Medan Tuanku, 23 Lorong Medan Tuanku 1, Off Jalan Sultan Ismail, 50300 Kuala Lumpur on Monday, 28 May 2018 at 3.00 p.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

** Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.*

No.	Resolution	For	Against
Ordinary Resolution 1	Approval of the payment of Final Dividend of 4.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2017		
Ordinary Resolution 2	Approval of the Directors' Fees up to an aggregate amount of RM300,000.00 for the financial year ending 31 December 2018 and payment thereof		
Ordinary Resolution 3	Re-election of Mr Chang Mun Kee as Director pursuant to the Article 85 of the Articles of Association of the Company.		
Ordinary Resolution 4	Re-appointment of Messrs KPMG PLT as Auditors.		
Ordinary Resolution 5	Proposed Renewal of Authority for the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016.		
Ordinary Resolution 6	Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares		
Ordinary Resolution 7	Authority for Datuk Ali bin Abdul Kadir to continue in office as Independent Non-Executive Director		

[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.]

Dated this .... day of .... 2018.

The proportions of my/our holding to be represented by my/our proxies are as follows:

1st proxy		%
2nd proxy		%
TOTAL	100	%

…………………...……
Signature/Common Seal of Shareholder

NOTES :

1. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid. There shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), 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.

3. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer of attorney duly authorised.

4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Company's Share Registrar Office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

5. In respect of deposited securities, only members whose names appear on the record of Depositors on 21 May 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

6. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the 14th AGM will be put to vote by way of poll.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2018.

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AFFIX
STAMP

The Share Registrar
JCBNEXT BERHAD
(Company No.: 641378-W)
c/o Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Then fold here