

JcbNext Berhad

Annual Report 2021

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GROUP PERFORMANCE HIGHLIGHTS

Financial Year Ended 31 December	2017	2018	2019	2020	2021
Operating Results (RM million)					
Revenue	9.9	8.5	8.7	6.0	6.4
Results from operating activities	(1.2)	3.1	3.2	0.0	3.4
Profit before tax	8.8	11.4	11.8	7.9	18.3
Profit after tax	6.9	10.0	10.3	6.4	16.7
Profit attributable to owners of the Company	6.8	9.9	10.3	6.5	16.8
Net cash used in operations	(5.8)	(4.0)	(3.2)	(3.6)	(2.6)
Key Balance Sheet Data (RM million)					
Total assets	337.0	330.1	327.8	325.5	346.8
Issued and paid-up share capital	196.6	196.6	196.6	196.6	196.6
Equity attributable to owners of the Company	335.0	328.6	325.8	323.6	344.9
No. of ordinary shares in issuance (no. of shares, million)	139.7	137.8	135.6	134.1	132.0
Share Information and Valuation					
Basic earnings per share (sen)	4.88	7.13	7.55	4.80	12.68
Diluted earnings per share (sen)	4.88	7.13	7.55	4.80	12.68
Net dividend per share (sen)	4.50	4.00	4.00	3.00	3.50 [⊕]
Share price as at 31 December (RM)	1.75	1.48	1.45	1.40	1.38
Net dividend yield (%)	2.57	2.70	2.76	2.14	2.54
Financial Ratios					
Return on equity (%)	2.03	3.0	3.2	2.0	4.9
Current ratio	72.1	100.4	83.4	77.0	56.2
Net asset value per share (RM)	2.40	2.39	2.40	2.41	2.61
Operating margin (%)	(12.36)	35.96	36.63	(0.38)	53.2
Net profit margin (%)	68.89	116.00	118.69	107.12	264.36

⊕ Included the proposed final single tier dividend of 3.5 sen per ordinary share which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ali bin Abdul Kadir

Non-Independent Non-Executive Chairman

Teo Koon Hong

Independent Non-Executive Director

Cindy Eunbyol Ko

Independent Non-Executive Director

Lim Chao Li

Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Teo Koon Hong

Chairman, Independent Non-Executive Director

Cindy Eunbyol Ko

Member, Independent Non-Executive Director

Lim Chao Li

Member, Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Teo Koon Hong

Chairman, Independent Non-Executive Director

Cindy Eunbyol Ko

Member, Independent Non-Executive Director

Lim Chao Li

Member, Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Lim Chao Li

Chairman, Non-Independent Non-Executive Director

Teo Koon Hong

Member, Independent Non-Executive Director

Cindy Eunbyol Ko

Member, Independent Non-Executive Director

INVESTMENT COMMITTEE

Lim Chao Li

Chairman, Non-Independent Non-Executive Director

Teo Koon Hong

Member, Independent Non-Executive Director

Cindy Eunbyol Ko

Member, Independent Non-Executive Director

Gregory Charles Poarch

Member, Chief Financial Officer

AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)

Chartered Accountants

Level 10, KPMG Tower

8 First Avenue

Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : JCBNEXT

Stock Code : 0058

COMPANY SECRETARIES

Tai Yit Chan

(MAICSA 7009143)

(SSM Practicing Certificate No. 202008001023)

Tan Ai Ning

(MAICSA 7015852)

(SSM Practicing Certificate No. 202008000067)

[Appointed on 24 November 2021]

Wong Siew Yeen

(MAICSA 7018749)

(SSM Practicing Certificate No. 202008001471)

[Resigned on 24 November 2021]

REGISTERED OFFICE

12th Floor, Menara Symphony

No. 5 Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Tel: 03-78904800

Fax: 03-78904650

HEAD OFFICE

Wisma JcbNext

No. 27, Lorong Medan Tuanku 1

(Off Jalan Sultan Ismail)

50300 Kuala Lumpur

Tel: 03-26922333

Fax: 03-26981333

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

[Registration No. 199601006647 (378993-D)]

11th Floor, Menara Symphony

No. 5 Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Tel: 03-78904700

Fax: 03-78904670

WEBSITE

www.jcbnext.com

CORPORATE STRUCTURE

as at 1 April 2022

JcbNext Berhad



PROFILE OF DIRECTORS

Datuk Ali bin Abdul Kadir

Non-Independent Non-Executive Chairman
Malaysian, 73 years of age, Male

Datuk Ali bin Abdul Kadir was appointed to the Board of Directors on 1 October 2004 and served as the Independent Non-Executive Chairman until 27 June 2019 when he was redesignated as a Non-Independent Non-Executive Director. As a Non-Independent Non-Executive Director, Datuk Ali continues to serve as the Chairman of the Board of Directors. He was also a member of the Audit and Risk Committee from 1 October 2004 until 24 November 2021. He is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants. He is also Honorary Advisor to ICAEW-KL City Chapter and Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK).

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

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

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

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

Datuk Ali has attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2021.

Teo Koon Hong

Independent Non-Executive Director
Singaporean, 72 years of age, Male

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

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

PROFILE OF DIRECTORS (CONTINUED)

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

Mr. Teo Koon Hong has attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2021.

Cindy Eunbyol Ko

Independent Non-Executive Director

American, 45 years of age, Female

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

Ms. Cindy Ko has attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2021.

Lim Chao Li

Non-Independent Non-Executive Director

Malaysian, 56 years of age, Male

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

Mr. Lim Chao Li has attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2021.

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

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

PROFILE OF SENIOR MANAGEMENT TEAM

Liong Wei Li

Chief Executive Officer
Malaysian, 38 years of age, Male

Mr. Liong Wei Li is the Chief Executive Officer of the Company and was redesignated to this role from Acting Chief Executive Officer (“CEO”) on 13 July 2021. He joined the Company in December 2012 as the Special Officer to the CEO and was a Product Owner for the JobStreet.com business, during which he focused on revamping the employer-facing recruitment system for JobStreet.com’s regional user base. Since the sale of the JobStreet.com business, he has been focused on the Company’s investment activities, responsible for establishing and continuously refining the investment processes for the Company, as well as sourcing and analysing potential investment opportunities. Mr. Liong holds a Bachelor of Economics degree from the University of Malaya and an MPhil in Economics degree from the University of Cambridge. He also holds a Bachelor of Laws degree from the University of London and the Certificate of Legal Practice from the Legal Profession Qualifying Board in Malaysia. In addition, Mr. Liong is a holder of the CFA and CAIA charters, as well as the CIPM designation. He commenced his career as a research associate at the Institute of China Studies and the Faculty of Economics & Administration at the University of Malaya. He is currently an Alternate Director to Mr. Gregory Charles Poarch on the Board of Innity Corporation Berhad.

Gregory Charles Poarch

Chief Financial Officer
American, 57 years of age, Male

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

Dr. Wong Siew Hui

Chief Technology Officer
Malaysian, 58 years of age, Male

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

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

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

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

LETTER FROM THE CHAIRMAN

Dear Shareholders,

It is our pleasure, on behalf of the Board of Directors to present the Annual Report and Audited Financial Statements of JcbNext Berhad (“JcbNext” or “the Group”) for the financial year ended 31 December 2021. As always, I hope you and your families are well and safe, making the best of the times that we are in.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2021, the Group recorded revenue of RM6.35 million, profit before tax of RM18.28 million and a profit attributable to shareholders of RM16.80 million, representing year on year (“yoy”) increase of 5.5%, 131.9% and 160.4% respectively. A big part of this increase is attributable to the strong results of our associate, 104 Corporation, as the Taiwan economy grew at its fastest pace in more than a decade, driven by strong tech exports during the pandemic to support people working and studying from home. We had also sold some shares of 104 Corporation in the open market during the year which contributed gains amounting to RM1.59 million to the bottom line. Foreign exchange also had a part to play as it contributed gains amounting to RM1.85 million in 2021 compared with losses of RM0.24 million in 2020, a swing of RM2.09 million. Other than that, operating expenses had also decreased by RM1.43 million or 22.9% partly due to the change in senior management team. Revenue wise, while the increase was not a lot, the composition of our revenue has shifted for the better, with dividends from our equity investments accounting for 54% of total revenue compared with only 33% in 2020. Total dividends from equity investments (excluding the dividend from 104 Corporation) amounted to RM3.46 million in 2021, a growth of 73.3% compared with the preceding year. We hope to receive more dividends in 2022 and beyond, as the team continues to build up our investment portfolio, and with COVID-19, hopefully, in our rearview mirror.

To have a balanced picture of the financial performance of the Group during the year, we would also have to look into the consolidated statement of financial position, specifically in equity. Besides the net profit attributable to shareholders of RM16.80 million, there was an increase in the fair value of the Group’s equity investments designated at fair value through other comprehensive income (“FVOCI investments”) amounting to RM5.47 million during the financial year as well as translation gains amounting to RM5.65 million. And after accounting for share buy backs and the payment of the final dividend for 2020 amounting to RM2.73 million and RM3.97 million respectively, net assets or shareholders’ fund increased from RM323.60 million in 2020 to RM344.88 million in the current financial year.

As at 31 December 2021, our total assets stood at RM346.78 million with shareholders’ funds recorded at RM344.88 million (net asset per share of RM2.61), compared with RM325.52 million and RM323.60 million (net asset per share of RM2.41) as at the end of 2020. With liquid cash and short-term investments totalling RM88.55 million, and no material 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.

LETTER FROM THE CHAIRMAN (CONTINUED)

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

DIVIDEND

The Board of Directors is pleased to propose a final single-tier dividend of 3.5 sen per share for 2021 (2020: 3.0 sen). The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

CORPORATE DEVELOPMENTS

In the area of investments, the Group had, during the year, invested approximately RM49.77 million in various equity investments. This is a considerable step-up compared to the RM6.49 million invested in 2020. Before the problems of 2022 began, 2021 was a year filled with optimism as vaccinations were underway throughout the world. Although there were issues of vaccine inequity and hesitancy, generally people got vaccinated and the situation improved until the emergence of the Omicron variant late in 2021. The fact that the number of hospitalisations and deaths decreased, proved the efficacy of vaccines to at least prevent severe COVID. This allowed COVID-19 restrictions to be gradually eased and economic activities began to pick up, powered by the large fiscal stimulus packages and accommodative monetary policy. While equity markets had a good year in general, problems on this side of the world such as the regulatory issues and property market woes in China coupled with their strict zero-COVID policy, spooked investors and resulted in volatility of stock markets in the region especially in Hong Kong which is the gateway to many Chinese stocks. This allowed the Group to pick up some equity investments at attractive prices. While markets remain volatile especially with what is happening now in Ukraine, I urge you to be patient as we are investing with a long-term view.

As you are aware, Mr. Mark Chang Mun Kee, the founder of the Company, had relinquished his role as Chief Executive Officer ("CEO") towards the end of 2020 and he was succeeded by Mr. Lionel Liong Wei Li ("Lionel") who took over as Acting CEO with effect from 1 January 2021. Although this has already been announced on Bursa Malaysia Securities Berhad, I am pleased to report here that Lionel has been redesignated as CEO on 13 July 2021. Please join me in congratulating Lionel on his new role. Although he is tasked with the responsibility to bring the Group to the next level, he will not be doing this alone as the Board and the Investment Committee will be working closely with him. On another front, I have stepped down from the Audit and Risk Committee on 24 November 2021 as a measure of good corporate governance following the recommendations of the Malaysian Code of Corporate Governance.

We believe that at the prevalent share prices of the Company in 2021, buying back of our shares was a good use of our cash. During the year, we had bought back 2,090,200 shares which were held as treasury shares until they were cancelled on 28 December 2021.

GOING FORWARD

Russia's invasion of Ukraine has given the world a shock that it didn't need at such a critical time in our history, halting economic recovery just as it was finally gathering some semblance of momentum. We can only hope and pray that the war will end soon, putting a stop to senseless loss of lives and preventing further escalation beyond Ukraine. Despite the gloomy outlook, work continues here at JcbNext, to find

LETTER FROM THE CHAIRMAN (CONTINUED)

undervalued gems: resilient companies with good business fundamentals that will allow them to ride out this storm, and hopefully we will all be able to enjoy the fruits of this effort in the years to come.

SUSTAINABILITY

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

APPRECIATION

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

DATUK ALI BIN ABDUL KADIR

Chairman

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear shareholders,

Overall performance

For FY2021, our company recorded a revenue of RM6.4 million, an increase of around 5.5% from the RM6.0 million in FY2020, according to accounting standards. Profit attributable to shareholders for the financial year rose to RM16.8 million, 160.4% higher than the RM6.4 million figure in FY2020.

This is, however, a year in which the accounting figures might have flattered the economic performance of our company. Among developments captured in the RM16.7 million profit included: i) RM1.9 million foreign exchange gain, and ii) RM1.6 million gains on disposal of investments, both items we would not normally attribute to the performance of our investment operations.

Further, although our share of the economic profits from our associate companies 104 Corp and Innity has increased to about RM13.3 million for FY2021 from RM8.4 million for FY2020, a very welcomed 58.1% increment, the timing of 104's dividend payment means we will only see a meaningful increase in dividend inflow from 104 in 2022. The dividends we received from 104 was a more modest RM8.9 million for 2021, before taxes.

That said, we are encouraged by some of the figures in FY2021. A few data points in our financial report that I would like to draw your attention to:

1. As at 31 December 2021, the book value (BV) of our company stood at about RM344.9 million, the biggest component of which are RM239.4 million in marketable securities including stakes in our listed associate companies, RM88.5 million in cash and RM18.4 million in investment properties, with no material debt. This book value figure increased by approximately 6.6% compared to 2020.
2. If we had calculated the value of our assets using the market prices of our associates (104 and Innity), rather than what is shown on our balance sheet, the figure, which we would loosely call the Net Asset Value (NAV), would be RM425.5 million in 2021, an increase of about 11.2% compared to 2020.
3. Looking at income generation, our assets generated dividends, interest and rental incomes of about RM14.9 million in 2021 before taxes, a slight decrease from RM15.0 million in 2020. An increase of dividends received from the HKEX-listed Lion Rock and our new equity portfolio was made less noticeable by a decrease in the yield from our cash and in dividends received from 104.
4. Meanwhile, staff costs and other operating expenses at our investment holding operations was RM3.5 million in 2021, a decrease of about 12.7% from 2020. This excludes forex gains or losses. The RM3.5 million figure is about 0.9% of our 2020 year-end NAV of RM382.8 million.
5. Deducting taxes and making some other minor adjustments, the free cash flow generated by our business is estimated to have increased by about 21.5% from RM7.4 million in 2020 to RM9.0 million in 2021, of which about 50% we would propose to pay out as dividends.

Larger business investments

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

104 Corp

Our largest investment is 104 Corp in Taiwan, which had a tremendous year in 2021 with profits after tax growing by 43.2% year-on-year. In our view, this is in part due to the Taiwanese economy benefiting from the strength of its semiconductor industry, but more importantly the many years of hard work by the management team refining their products and solutions for customers. 104 is a company that has placed its customers' interest ahead of its own, and the customers are showing great loyalty in return.

The nature of the business, in particular the network effect it enjoys, has allowed the company to grow without requiring much capital reinvestment, and thus most of its profits can be distributed as dividends to shareholders. The company has again announced that they intend to pay out 100% of their 2021 profits as dividends later this year and our share of that should work out to about RM10.9 million after taxes, based on our end-2021 shareholding. Our cost of investment was about RM75.3 million and a figure of RM10.9 million would mean a yield of about 14.7% on our cost. We need to find more of these.

That said, over the last year, we have very reluctantly sold a small portion of our holdings in 104. The decision is driven almost entirely by our hope to diversify our portfolio slightly as the carrying value of our 104 shareholding is about 35.1% of our book value as at the end of 2021. The sales were done through open market transactions and the buyers should be very happy and proud new owners of such a tremendous business. Parts of the proceeds we received were reinvested into our new equity portfolio (more on this later).

Other business investments

FY2021 has been a good year for several of our other business investments. Lion Rock in Hong Kong has seen profitability improved 27.0% in 2021 from the previous year. Its latest foray into the publishing industry through its investment into the London-listed Quarto appears to be paying off.

Hastings in Australia has also continued to make progress in the financing and operations of its Yangibana rare earth mine. We have recently increased our holding in the company by exercising some of the call options that we held and now hold about 28.9 million shares in the company, about 1.4% of outstanding shares.

Meanwhile, our ACE market-listed associate Innity has also seen an improvement in financial performance, reporting a RM3.1 million profit in 2021 compared to losses in the previous year.

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

Equity portfolio

In the last year, we continued to build up small stakes in public-listed businesses in the Asia Pacific region. We invested around another RM45.4 million into this equity portfolio in 2021, bringing our cost of investment in this portfolio to about RM54.5 million as at the end of 2021. In the first quarter of 2022, we invested a further RM12.2 million, bringing the total portfolio to about RM66.7 million at cost. About 64.0% of this equity portfolio is invested in Chinese companies, and the rest in Malaysia, Australia, Singapore as at the end of Q1 2022.

Our equity portfolio consists of 25 companies and 2 ETFs as at the end of Q1 2022. It is heavily skewed towards dividend stocks, with banking and insurance companies in China making up about 42.2% of the portfolio. We believe that these companies can offer a solid base from which we could build up a long-term portfolio. As described in my letter to you last year: *we view such smaller equity investments as part-ownership of good businesses and it's our intention to hold such investments for the long term. We do not view them as a series of flashing stock tickers, arrows and numbers that we should trade on at every opportunity.*

While most of these businesses should still experience very decent growth, I believe we have invested in them at prices low enough to offer good dividend yields even if the growth does not materialize – a good margin of safety. This equity portfolio generated RM1.2 million in dividend inflow to us in 2021 before taxes, from less than RM100,000 in 2020, and we hope that this number will grow as we continue building up the portfolio and the underlying businesses continue their recovery/ growth.

At this point, some of the more mathematically-inclined investors of ours would have quickly spotted that our equity portfolio generated only RM1.2 million in dividends on an investment of RM54.5 million, meaning a measly dividend yield of 2.2% - certainly not what is expected of a “dividend stock” portfolio? Rest assured, we target a higher yield. The lower figure is due to some of the investments being done after the companies paid their 2021 dividends. We should share in more of their economic performances in 2022.

Going forward, the (hopefully) stable cash inflow generated by our investments, including companies in this equity portfolio, would be partially distributed as dividends back to our shareholders, and partially reinvested into more businesses. Having a steady flow of dividend inflow would give us more confidence in investing a portion of it into businesses with a higher risk/reward characteristic, or in “deep value” situations where the value of the investment might take a very long time to be unlocked (if at all), but would provide a good lift to our total returns if it comes to fruition.

A startup investment

In FY2021, we also made a USD1.0 million investment into Platinum Analytics, a Fintech company headquartered in Shanghai, in the space of providing FX trading solutions to financial institutions. We like the founders Kelvin and Qi Hong, as they appear not only very capable individuals but people we would enjoy working with. The team counts a few of the largest banks in the South East Asia region as their clients currently and we believe they could benefit from the further internationalization of the Chinese currency. Visit their website here <http://www.platinumanalytics.net/index.html> and let us know if you have ideas/ partnerships you think they should explore!

LETTER FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

Despite our confidence in the founders and our optimism in this business, I would have to add that our view about startup investments remain unchanged – it could generate multi-fold returns with the right team and a (very) generous slice of luck, but it is also very risky. Thus, we will continue to be highly selective in such investments and also cap our exposure both in terms of the amount invested in any individual startup, and also the total amount allocated for this category.

Cash

As at the end of 2021, we held around RM88.5 million in cash, which is about 25.7% of our net book value, and is down from RM130.9 million a year ago. The percentage figure would be about 20.8% if we calculated it based on our Net Asset Value of RM425.9 million.

Although both percentage figures are still considerably high if we followed a traditional asset allocation approach, I believe it is a comfortable level of cash to hold currently considering the potential headwinds – inflation, Fed rate hike, the Ukraine crisis, slowing global growth, regulatory concerns in China, etc – that could give us buying opportunities.

There were times in the past year, for example during a one-day sharp market correction in March 2022 in China, where I had hoped we had more cash that we could deploy and acted quicker. More work will be done this year to allow us to be more “nimble” to better deploy our cash during such sharp but very brief corrections.

Inflation

I would also like to caution that even though market sentiments looked to have improved somewhat, the threat of inflation is very likely to intensify and weigh on businesses. Some of the companies that we have invested in have guided challenging operating environments, with the common theme of higher operating costs and lower profits expected in the short- and mid-term. During times of inflation, even the best businesses are likely to suffer, while those which are less as good might be totally crippled.

The best companies during times of inflation appear to have a number of common characteristics: i) They are likely to be in a strong competitive position and can pass on cost increment to customers, ii) They generate strong free cash flow and do not require heavy reinvestment to grow their businesses, and/or iii) They already own productive assets that competitors will have to pay a higher price to build or acquire to compete with them.

These are characteristics of businesses that we look for during “normal” times, but such businesses should shine even more when the going gets tough. Our job is to identify more of such gems, hopefully when they still look like unloved stones, and buy them at attractive prices. We continue to believe it’s important to seek “value” in the market and avoid being drawn into a false sense of excitement chasing already richly-priced companies.

Away from the office

Our team has continued to work from home. I believe the transition to this new way of working has been largely successful, thanks partly to technology, but more importantly a team that is highly-competent, responsible and self-motivated. The Covid-19 situation has forced us to find new ways of working together and collaborating, some of which we hope to continue adopting when the better days return. The convenience of working from home, not needing to brave through the Klang Valley traffic, is an advantage for many but it comes with its challenges as well. I am appreciative of the flexibility of our staff and their family members to make this work.

Our Annual General Meeting this year will again be conducted virtually, but we hope (and expect) to see you in person at the next one in 2023!

The beginning

Lastly, let me reserve a special thanks to our long-term shareholders. You might have had invested in the company when we were still running the JobStreet business and remained a shareholder and continued with us on this new, long-term journey.

We cannot promise instant results, but as I pledged last year, we would continue to treat you as “partners”, keep our interests aligned, and continue to build up a portfolio of good businesses for all of us.

LIONEL LIONG WEI LI

Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

THE STATE OF THE GLOBAL ECONOMY IN 2021

Let’s start with a recap of the state of the global economy in 2021 before we dive into the performance of the Group in detail. After a global contraction of 3.4% in 2020, the world economy grew by 5.5% in 2021, the highest rate of growth in more than four decades. Recovery of output in 2021 largely represented the resumption of household spending and investment, which had come to a screeching halt in 2020 amid lockdown measures worldwide. Despite the roll-out of vaccines from early 2021, the COVID-19 pandemic was far from over. The global death toll from COVID-19 surpassed 5 million on 1 November. For much of the year, developing and transition countries saw a growing share of infections and deaths as they lagged in vaccination. But in the fourth quarter of 2021, as colder temperatures in the Northern Hemisphere led to more indoor social activities, Europe and the United States began to experience new outbreaks, with severe cases mostly affecting the unvaccinated. Moreover, the emergence in late November 2021 of the Omicron variant, which is more transmissible than earlier variants and with a better ability to evade vaccines, sounded new alarm bells across the world. Governments from major developed countries and a number of developing countries responded by introducing travel restrictions especially to/ from South Africa where Omicron was first detected.

Access to COVID-19 vaccines remains a challenge in many developing countries and transition economies, driven in many cases by fiscal constraints. In most developing countries, acute vaccine shortages continued to prevent higher vaccine coverage, leaving these countries highly vulnerable to renewed waves of infection. Unsurprisingly, the concentration of deaths due to COVID-19 shifted from developed to developing countries through much of 2021. Progress in vaccination was critical to resume economic activities and recover output in 2021. Countries with high vaccination rates managed to ease restrictions, allowing demand to surge and economic growth to come back more quickly. Low vaccination rates and recurring waves of infection, on the other hand, demanded continued restrictions. Vaccination is clearly a necessary condition for reopening of economies but many other factors, including public and private investments to improve labour markets and create jobs, will also determine the size and pace of recovery.

Global headline inflation surged to an estimated 5.2% in 2021. The rise was particularly pronounced in the United States and the euro area, and in Latin America and the Caribbean. The rise in inflation in 2021 was largely due to a unique combination of supply-side bottlenecks, a stronger-than-anticipated rebound of demand and high commodity prices. Commodity prices surged, with steep increases in metals, coal, crude oil and natural gas. The drivers of escalating energy prices included high electricity demand caused by hot weather in some countries, low renewable energy production due to unfavourable weather

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

conditions and high energy demand overall. Food prices shot up by 22% in 2021, spurred by sharp increases in vegetable oil, cereal and dairy prices. Underlying drivers include reduced harvests due to adverse weather, labour shortages and high consumption demand. Major supply bottlenecks and port congestion raised shipping costs and led to higher import prices.

Global employment has yet to fully recover from the unprecedented shock of the COVID-19 pandemic, despite the gradual lifting of lockdown restrictions, immense efforts to protect employment and support businesses and the rebound in global output. The crisis has had a devastating impact on employment in tourism, hospitality, travel and retail trade. New waves of infection are forcing the reintroduction of partial lockdowns and slowing job recovery, especially in the services sector. A notable divergence has emerged between developed and developing economies in part due to the uneven progress in vaccination and the size of fiscal stimulus packages. In 2021, employment largely recovered in developed countries while employment growth in developing countries stalled. Among developed economies, the United States has been steadily adding jobs since early 2021, including in the most affected sectors. In the EU, labour market conditions in 2021 varied significantly between member states. Unemployment in China has fallen since early 2020 and was back to pre-pandemic level by mid-2021.

International trade performance was mixed in 2021. Merchandise trade was stronger than expected, with global trade in goods surpassing pre-pandemic levels. Strong demand for pandemic-related goods such as medical supplies and goods related to lifestyle changes such as electronic devices buoyed merchandise trade in the first half of the year. In the second half, however, supply-chain challenges amid labour shortages in Europe and the United States and new waves of COVID-19 slowed growth. Trade in services remains subdued as the COVID-19 pandemic lingers; many countries have yet to fully reopen their borders. While global merchandise trade has recovered to pre-pandemic level, there is clear regional divergence wherein rebounds in goods exports are more evident in China and other developing Asian countries. In contrast, merchandise trade in the United Kingdom, Africa and the Middle East has remained subdued.

Prices of almost all commodity products trended upward in 2021. Demand for commodities accelerated in tandem with sizeable policy stimulus and vaccine-led reopening plans. The supply side was slower to catch up due to the resurgence of COVID-19, extreme weather events and logistical problems. Rising prices coupled with supply-side disruptions increased inflationary pressures in different parts of the world throughout 2021. Fuel price hikes have taken the lead across all commodity groups. The OPEC+ agreement on unprecedented crude oil production cuts in early 2020 brought the price above the pre-pandemic level, crossing USD80 per barrel in October 2021, a seven-year high. Prices of minerals, ores and metals have also bounced back to pre-pandemic levels. Food prices rose in 2021 given lower elasticity of demand along with unfavourable weather conditions for key agricultural commodities such as soybeans, sugar and cereals. Disruptions in supply chains and logistics networks increased transport costs. Higher fuel prices also boosted the costs of agricultural inputs and drove up the prices of grains and oilseeds. While food prices appeared to have stabilized in the third quarter of 2021, they had increased nearly 20% since the end of 2020.

After contracting by 2.7% in 2020, global investment expanded an estimated 7.5% in 2021, supported by an easing of COVID-19 restrictions, large fiscal stimulus packages and ultraloose monetary policies. The recovery has been driven by strong albeit moderating growth in China and the United States, which together accounted for almost 50% of gross fixed capital formation in 2021. Beyond these headline figures,

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

the global investment picture is more troubling. In many countries, the 2021 rebound did not represent sustained improvement in investment conditions but primarily resulted from favourable base effects and exceptionally supportive fiscal and monetary policies.

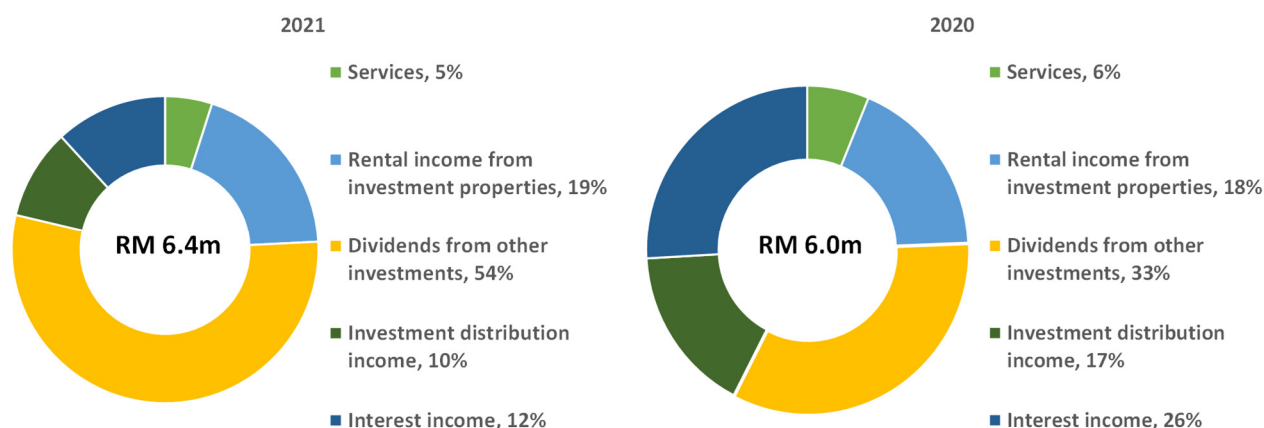
Exceptionally accommodative global financial conditions largely supported the recovery of output while maintaining short-term financial stability and keeping financial market volatility relatively contained throughout 2021. Financing conditions for businesses remained largely favourable and corporate balance sheets generally strengthened. Corporate bond issuance was strong as firms took advantage of the favourable funding environment. At the same time, unprecedented policy support that included massive injections of liquidity provided by the major central banks in developed countries has resulted in excessive risk-taking and a further build-up of financial vulnerabilities. With inflationary pressures rising quickly, a growing number of central banks in both developed and developing countries have started tightening their monetary policy stances or signalled their intention to do so.

2021 saw strong and relatively stable equity market growth. Encouraging economic growth in developed markets supported particularly strong earnings, and despite some tightening, with the continuing liquidity provided by what was overall loose monetary policy, markets surged on. With a brief exception on the news of the outbreak of the Omicron variant, markets largely shrugged off COVID-19 related fears throughout the year. Once again, the United States led the way, with new highs and the S&P 500 Index ending the year up 29.9% in sterling terms. United Kingdom and European equity markets also performed well, although Japanese markets struggled in comparison with key industrial sectors hit hard by global supply-chain shortages and consumer spending taking time to recover to pre-pandemic levels. Emerging markets didn't have a good year. The Chinese economy, which has proven to be a key driver for emerging markets over the past two decades, proved a hindrance to returns. Unexpected mid-year Chinese regulatory action to crack down on tech enterprises, private education firms and overseas listings, as well as a slowdown in their economic growth, the financial challenges faced by their property developers such as Evergrande, their comparatively early tightening of monetary policy, and generally lower rates of high-efficacy vaccinations in emerging markets, compounded problems for the region.

On the local front, unfortunately, the FBM KLCI ended the year at 1,567.53 points or 3.7% lower than 2020. Overall, the Malaysian stock market is counted as the worst performer in Asean in 2021 and second worst-performing market in Asia, after Hong Kong. The negative returns generated by the 30-stock index were due mainly to the decline in the share prices of glove, energy and palm oil companies. Generally, sentiment towards the Malaysian stock market was dampened due to a series of negative developments in 2021. These included the reimposition of lockdowns due to rising COVID-19 cases; political uncertainties that eventually resulted in the change of Prime Minister, forced labour allegations against certain manufacturers including glove players; and the announcement of higher taxes during the tabling of Budget 2022.

2021 IN REVIEW

During the year, the Group generated revenue from services, rental of office space, dividends, interest and other investment income. The Group's revenue mix for 2021 and 2020 are as depicted below:-



As the Group is principally in investment holding, the biggest contributor to group revenue is dividends from equity investments at 54% of revenue or RM3.46 million in 2021. This is followed by rental income at 19%, interest income at 12% and investment distribution income from the placement of funds in money market unit trust funds at 10%. Services only contributed 5% of revenue and it is primarily from the Group's subsidiary in Japan.

Total revenue had increased by 5.5% in 2021 primarily from an increase in dividend income from equity investments from RM2.00 million in 2020 to RM3.46 million in 2021 and a slight increase in rental income from RM1.09 million in 2020 to RM1.22 million in 2021. However, the increases in dividend and rental incomes were offset by a decrease in interest income and distributions from money market funds from RM2.56 million in 2020 to RM1.35 million in 2021. The declining returns on our cash was in line with the low interest rate environment during the year but more significantly, it was also due to the Group's continued deployment of its cash to acquire equity investments in 2021 as noted in the decrease in its cash and investments in money market funds from RM130.88 million at the end of 2020 to RM88.55 million at the end of 2021.

Dividend income from equity investments had increased by 73.3% year-on-year ("yoy") to RM3.46 million in 2021 from RM2.00 million in the preceding year. This was partially due to higher dividends received from Lion Rock Group Limited ("Lion Rock") amounting to RM2.25 million in 2021 compared with RM1.90 million in 2020. New investments made by the Group in 2020 and 2021 began to contribute to the Group's top line as dividend income from such equity investments grew from a mere RM0.10 million in 2020 to RM1.21 million in 2021. During 2021, the Group continued to receive dividends amounting to RM8.91 million from its associate, 104 Corporation, although such dividends are not accounted for as revenue.

Rental income from investment properties had increased slightly from RM1.09 million in 2020 to RM1.22 million in 2021. The tenant had taken up an additional floor starting in September 2020 which had contributed to the increase in rental income in 2021. With that, the total area leased to them is approximately 23,700 square feet which is about 87% of net lettable area in Wisma JcbNext. The Group retains approximately 13% of Wisma JcbNext for its own use. The tenant for Wisma JcbNext has formally notified the Company of its intention to move out by 28 February 2023, with the option of extending the

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

tenancy by another 6 months if needed. The Group's other investment property, a 2-storey shophouse office in Johor, remained untenanted throughout 2021.

In terms of services, the Group derives revenue predominantly through its subsidiary in Japan which provides consulting services on a small scale. The Group did not invest to expand the Autoworld automotive content website in 2021 but nevertheless, the Group continued to update the website. Total revenue from the provision of services in 2021 fell 15.6% yoy to RM0.32 million compared with RM0.37 million in 2020 due to the ongoing challenging environment caused by the COVID-19 pandemic in 2021.

The Group's operating expenses in 2021 amounted to RM4.84 million, a decrease of 22.9% compared with the previous year's operating expenses of RM6.27 million. The decrease in staff costs from RM2.98 million in 2020 to RM2.40 million was due to Mark's resignation as the Group's CEO towards the end of 2020. His successor, Lionel, was only confirmed as the new CEO in July 2021. The timing of these events and the different salary levels between the two individuals had contributed to the reduction in staff costs. Other operating expenses had decreased by 21.6% to RM1.98 million compared with RM2.53 million in 2020. Included in other operating expenses in 2020 were foreign exchange losses amounting to RM0.24 million. The Group recorded foreign exchange gains amounting to RM1.85 million in 2021, which has been disclosed as "Other Operating Income". Generally, the Ringgit had in 2021 weakened against the Singapore Dollar, US Dollar and Hong Kong dollar, all of which are currencies that the Group holds, by approximately 1.5%, 3.8% and 2.8% respectively. Looking into the individual components, the only other relatively significant decrease in other operating expenses is the decrease in miscellaneous expense which in the previous year included unrecoverable taxes deducted at source attributable to our subsidiary in India that was written off during that year.

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

Group	2021 RM	2020 RM
Net foreign exchange losses	-	241,179
Professional fees	807,589	772,828
Directors' fees	285,000	288,000
Office expenses	160,280	235,485
Security costs	148,977	148,977
Utilities	228,361	234,042
Staff benefits	95,715	135,757
Quit rent and assessments	38,798	66,733
Travelling	6,078	15,008
Telecommunication	23,078	31,828
Insurance	40,678	38,176
Miscellaneous	145,824	318,442
	<u>1,980,378</u>	<u>2,526,455</u>

The Group continued to rely a great deal on our associates, primarily 104 Corporation, to contribute to the Group's earnings in 2021. To recap, 104 Corporation is principally involved in the online job portal business and also provides executive search and HR consultancy services in Taiwan. 104 Corporation is listed on the Taiwan Stock Exchange since 2006. With COVID-19 largely contained, Taiwan's economy grew by 6.4% in 2021, driven mainly by surges in exports and investment. Exports grew by 17% driven by strong

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

export demand in two of Taiwan's largest trade partners. Exports to China grew by 23% and those to the United States by 29.7%. By category, exports of electronics swelled by 26.9% and of information and communication technology products by 24.8%, reflecting robust demand for technology goods. Investment expanded by 17.3% largely riding a wave of investment in machinery, transportation and construction equipment in the second half of the year spurred at least in part by government assistance programs. Monetary and fiscal policies remained broadly accommodative in 2021. Taiwan's central bank has kept its policy rate unchanged at 1.125% since March 2020. In June 2021, following a spike in COVID-19 cases, the government increased its pandemic relief budget to USD30 billion to provide more cash relief, loans and pandemic subsidies to families with children, bringing the cost of all fiscal measures related to COVID-19 to a value estimated to equal 3.9% of GDP. Unemployment rate rose to 4.8% in June, during a spike in COVID-19 cases, but fell gradually to reach in December the pre-pandemic rate of 3.6%. Inflation returned at 2.0% in 2021 as food, transportation and crude oil prices rose, but core inflation, which excludes food and energy prices, remained fairly stable at 1.3%.

Under the aforementioned circumstances, 104 Corporation's revenue in 2021 had increased 13.2% yoy to NT\$1.85 billion compared with NT\$1.63 billion in 2020 with the growth attributed to its Job Bank and HR Academy businesses. With the increase in revenue and relatively flat operating expenses, its profit before taxation increased by 34.5% yoy to NT\$407.02 million compared with NT\$302.51 million in 2020 while the net profit attributable to shareholders increased 43.2% yoy to NT\$370.44 million compared with NT\$258.74 million in the preceding year. Our share of profit from 104 Corporation in 2021 had increased to RM12.66 million compared with RM8.49 million in the preceding year. The balance sheet of 104 Corporation remains solid with cash holdings of NT\$2.52 billion at the end of 2021. In line with the increase to its profits, 104 Corporation has recently announced a dividend of NT\$11.16 per ordinary share representing 100% of their net profit attributable to shareholders for the 2021 financial year, which will be paid out later this year. During the final quarter of 2021, the Group had disposed a very small portion of its holdings of 104 Corporation in the open market and in the process, the Group recorded gains on disposal of the said shares amounting to RM1.59 million. We made the small sales as 104 Corporation represented a concentration risk in the Group's balance sheet. It is not a case where we want to 'take profit' by selling when the share price is high, or make a 'trading profit' by selling some shares now and buying back later. The pace and quantum of future sales of 104 Corporation shares will depend on many factors including the liquidity of the shares and/or interest from third parties. Further, the need to reduce concentration risk will decrease as the rest of our portfolio grows. Our investments, including 104 Corporation, continue to be long term in nature, with the objective of deriving dividend income and distributing those dividends onwards to our shareholders. As at 31 December 2021, the Group has an equity interest of 22.66% in 104 Corporation, down slightly from 22.99% a year ago.

Our other associate, Innity Corporation Berhad ("Innity"), is principally involved in the provision of technology-based online advertising solutions, to their customers in the Asia Pacific region, using in-house developed technology platforms. Innity's role in the online advertising process is to serve as a one-stop centre for advertisers and advertising agencies in offering the 3 major functions of the online advertising process, namely Creative, Media and Research. In essence, the group assumes the role of the advertising agency, creative agency, media agency and researcher. Innity is a listed company since 2008 and currently its shares are traded on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The group has an established presence in Malaysia, Hong Kong/ China, Indonesia, Philippines, Singapore, Taiwan, Thailand, South Korea, Myanmar, Cambodia and Vietnam.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Higher vaccination rates in 2021 have improved overall global economic activities. In addition, the COVID-19 pandemic has made consumers more connected to their mobile devices with the demand of remote working. The shift in consumer habits from offline to online has spurred advertisers to accelerate their digital advertising. Consequently, Innity's group revenue has improved by 16.4% yoy to RM119.97 million in 2021 compared with RM103.03 million in 2020. A majority of its overseas business units recorded increases in revenue except for its Hong Kong, South Korea, Cambodia and Myanmar business units. In Malaysia which is Innity's principal market, online advertising has experienced tremendous growth in line with higher rates of broadband penetration and the proliferation of corporate websites and online marketing campaigns firmly driving the growth of the market. In tandem with the increase in revenue, the group recorded a turnaround in performance by posting a profit after tax of RM3.06 million compared to a loss after tax of RM1.32 million in 2020. Our share of profit from Innity in 2021 had increased to RM0.65 million in contrast to the share of losses amounting to RM0.07 million in 2020. As at 31 December 2021, the Group has an equity interest of 20.98% in Innity.

Overall, the Group's net profit attributable to shareholders for 2021 surged 160.4% yoy to RM16.80 million from RM6.45 million in 2020 due to the low base effect coming off a very difficult and challenging year that 2020 had become synonymous with. As highlighted earlier, one of the main reasons for the strong results in 2021 was the increase in share of profits from our associates, 104 Corporation and to a lesser extent, Innity, from RM8.42 million in 2020 to RM13.31 million in 2021. Secondly, the Group registered foreign exchange gains of RM1.85 million in 2021 in contrast with the foreign exchange losses amounting to RM0.24 million in 2020. Thirdly, the disposal of shares in 104 Corporation generated gains amounting to RM1.59 million in 2021. As these indicate, the Group's financial performance from a P&L perspective is largely dependent on the performance of its associates and macroeconomic factors that influence foreign exchange as the Group continues to hold foreign currencies. Earnings per share amounted to approximately 12.68 sen per share. The Company will continue to pay dividends based on its 'free cash flow'. To this end, the Board has recommended the payment of a final dividend of 3.5 sen per ordinary share to be paid after the forthcoming AGM.

The Group's net assets attributable to shareholders grew by 6.6% yoy to RM344.88 million as at 31 December 2021, compared with RM323.60 million at the end of the previous year. On a per share basis, this translates to RM2.61 per share with the Company's share quoted at a price of RM1.38 as at 31 December 2021.

OVERVIEW OF INVESTMENTS AND CASH RESERVES

The Group's investments and cash reserves comprise of:

Group	2021 RM	2020 RM
Investments in associates		
- 104 Corporation	120,895,458	112,733,330
- Innity	13,033,037	12,358,134
	<u>133,928,495</u>	<u>125,091,464</u>
Financial assets at fair value through other comprehensive income		
- Lion Rock	24,322,492	22,506,275
- Hastings Technology Metal	17,533,864	11,865,538
- Banking and insurance	22,576,841	3,701,674
- Other quoted investments	31,006,099	7,504,266
- Unquoted investments	10,011,009	4,638,039
	<u>105,450,305</u>	<u>50,215,792</u>
Financial assets at fair value through profit or loss		
- Money market unit trust funds	-	44,242,390
Cash reserves		
- USD	852,290	14,727,696
- HKD	4,793,651	538,285
- SGD	20,642,263	34,044,384
- RM	61,735,529	37,013,247
- Others	522,061	315,537
	<u>88,545,794</u>	<u>86,639,149</u>
	<u>327,924,594</u>	<u>306,188,795</u>

The performance of the Group's associates has already been detailed in the previous section of this report. The carrying value of the investments in associates on the Group's balance sheet increased by 7.1% in 2021 to RM133.93 million. Against the Taiwan dollar, the Ringgit had weakened from TWD1:RM0.1430 as at end 2020 to TWD1:RM0.1506 as at end 2021 and this contributed to an increase of RM6.17 million in the carrying value of 104 Corporation on our balance sheet. In addition, while the share of profit from 104 Corporation for 2021 amounted to RM12.66 million, the dividend received from 104 Corporation during 2021 based on its 2020 net profit amounted to RM8.91 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 2021 which shows that the dividends it received from 104 Corporation, Lion Rock and other investments in quoted securities totalling RM12.37 million being more than sufficient to cover the RM2.54 million working capital utilised in 2021.

The largest investment under the FVOCI category is Lion Rock with a carrying value of RM24.32 million. Lion Rock is principally involved in the provision of printing services to international book publishers, trade, professional and educational conglomerates and print media companies. This is a business that the Group had invested in from 2011 to 2013 at a total cost of RM2.98 million. Subsequently, in 2014, Cinderella

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Media Group Ltd, the parent company of Lion Rock at that time of which we had a stake in then, rewarded its shareholders by declaring a dividend-in-specie of its stake in Lion Rock and spinning it off as a separate listed company on the Hong Kong Stock Exchange. As a result of that, the Group's stake in Lion Rock had increased by an additional 36.5 million shares in 2014. At the end of 2021, the Group held an equity interest of approximately 7.0% in Lion Rock. For the financial year ended 31 December 2021, the dividend yield on Lion Rock was 9.5% (2020: 6.3%). During the year, the Group had received RM2.25 million in cash dividends from Lion Rock, up 18.5% from the RM1.90 million dividends received in 2020 which included 3.38 million shares in Left Field Printing Group Limited by way of distribution in specie of shares in Left Field on the basis of 1 Left Field share for every 16 shares of Lion Rock held. On 23 March 2022, Lion Rock announced a final dividend of HK\$0.06 per share to be paid on 6 July 2022 after the conclusion of its upcoming AGM. The fair value of the Group's investment in Lion Rock had increased by 8.1% in 2021 in line with the appreciation of its share price from HKD0.80 at the end of 2020 to HKD0.84 at the end of 2021.

Based on the disclosures in Lion Rock's Annual Report 2021, Lion Rock said that the emergence of the COVID-19 pandemic has altered the competitive dynamics of the print industry. For one, the demand of print books has soared as book buyers seek comfort and entertainment in books. The global print capacity could barely meet this surge in demand and the supply and demand imbalance has shifted the industry from a cost-based competition to a supply chain competition. Lion Rock added that on the supply side, the print capacity for illustrated books in Europe will remain limited for several reasons. First, businesses in Europe are confronting unprecedented and widespread shortages of workers. The unemployment rate in the region has dropped to record low and will keep driving their labour costs up. The inflationary pressures will keep the competitiveness of the European printers in check. Secondly, there is a lack of print capacity in Europe due to years of under investment of printing plants. Even though more investments have been made recently, it would take years to ramp up the actual capacity. Thirdly, paper supply in Europe is expected to be limited. The decommissioning of paper mills in the region has created a supply bottleneck for uncoated wood-free paper. European environmental policies introduced recently will further limit the supply. Lion Rock opined that shipping costs will likely remain at high levels in the next 12 months as countries struggle to deal with shortage of labour. The cost of shipping a 40-foot container load of books from China to the United States west coast has increased from \$5,000 in 2020 to \$18,000 in 2021. Lion Rock conceded that this may narrow its cost advantage versus the European competitors. Lion Rock has stated that it will focus on enhancing its supply chain capability by building up its operations in Malaysia as part of its geographic diversification strategy. In addition, it is in the process of strengthening its network of regional suppliers to build resiliency. And it will enhance its logistics reliability by utilising data analytics to identify areas for improvement.

Lion Rock's revenue for the year ended 31 December 2021 increased by 26.5% to HK\$1,737.62 million from HK\$1,373.47 million in the previous year. The increase was driven by strong demand from its US, Europe and Australia based customers. It is said that 2021 was the year that the world turned to books. The global book market experienced record sales as people rediscovered a love of reading during the COVID-19 pandemic. The United States book market, the largest in the world, recorded a 9% yoy growth in terms of printed book units sold. Lion Rock's net profit for the year attributable to shareholders in 2021 rose 27.0% to HK\$132.49 million from HK\$104.32 million in the preceding year largely due to the increase in revenue with a further boost from an increase in share of profits from its associate, The Quarto Group, Inc. ("Quarto"), by 215.3% to HK\$27.54 million compared with HK\$8.73 million in 2020. The performance of Quarto was ahead of expectations. Revenue reached USD151.48 million, up 19.4% yoy from USD126.88 million in 2020, driven by strong sales of their backlist titles. The rebuilding of shared services

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

including IT, procurement and logistics has vastly improved Quarto's operations performance and provided a firm foundation for next phase of growth. Its bank debt position was significantly improved following the successful renegotiation of a new USD20 million facility provided by two banks. Quarto continued to benefit from its substantial shareholders who agreed to extend their existing USD13 million loans as well as providing a further loan of USD10m.

The next investment that we would like to update on is the Group's investment in Hastings Technology Metals Limited ("Hastings"), an Australian Securities Exchange listed exploration and development company. To recap, the Group had, on 7 August 2019, subscribed for 20,700,000 new shares in Hastings for a total consideration of AUD3,519,000 (equivalent to RM10.14 million based on the exchange rate as at 7 August 2019 of AUD1:RM2.882). The subscription came with one free option for every two shares subscribed and each option is exercisable into one new share at an exercise price of AUD0.25 each. Prior to the expiry of the options, the Group had on 12 April 2022, exercised 8,153,811 options with the balance having been disposed in the open market earlier. As at 31 December 2021, the Group has an equity interest of 1.19% in Hastings which has subsequently increased to 1.40% in April 2022 with the exercise of the share options. The fair value of the Group's investment in Hastings had increased by 47.8% during the year, mainly due to the rise in its share price from AUD0.17 at the end of 2020 to AUD0.26 at the end of 2021 and the strengthening of the Australian dollar against the Ringgit by 7.8% in 2020.

Hastings is currently developing the Yangibana Rare Earths Project ("Yangibana Project") in an area covering approximately 650 square kilometres located some 250 kilometres from Carnarvon in Western Australia. Mining leases granted are for 50 square kilometres over 21 years. The Yangibana Project involves development, construction, mining and processing operations to produce Mixed Rare Earth Carbonate ("MREC") with high concentrations of Neodymium (Nd) and Praseodymium (Pr). These elements are essential raw materials used in the production of permanent magnets, critical in many high-tech products including electric vehicles, renewable energy wind turbines, robots, medical applications and others. Hastings aim to become the next significant producer of Neodymium and Praseodymium ("NdPr") outside of China and expects to supply 6-8% of global NdPr demand. Based on Hastings' filings, the project's total capital expenditure estimate has been revised upwards to AUD582 million (AUD658 million inclusive of contingencies) due to inflationary pressures, including skills shortages, COVID-19 impacts on global supply chains and higher material costs. While capex estimate has increased, so have NdPr oxide prices which are currently trading around USD130/kg. The increase in rare earth oxide prices is largely due to supply shocks with tighter supplies driven by power cuts in China and political instability and COVID-19 impacts in Myanmar (which disrupts rare earth feedstock imports into China). These supply constraints coupled with accelerating EV adoption and renewables deployment are fueling the rise in rare earth oxide prices.

Based on reports from Hastings, an early works program costing AUD20 million to deliver key initial enabling infrastructure and access roads commenced in Q3 2021 and is well underway. The main plant construction is planned to commence in Q3 2022 beginning with the Yangibana processing plant and ending with the completion of the Onslow hydrometallurgical plant in Q3 2024. Production is slated to begin thereafter with sales to follow in 2025 over a period of approximately 15 years and a total of 194,000 tonnes of MREC.

On 20 April 2021, Hastings announced the signing of a major offtake contract with Thyssenkrupp Materials Trading GmbH for the supply of 9,000 tonnes per annum of MREC for the first 5 years and 5,000 tonnes per annum for the second 5 years, totalling 70,000 tonnes over a 10-year period. The committed volume

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

represents 60% of Hastings's annual Yangibana production volume for the first 5 years and 33% for the second 5 years. This contract is in addition to the offtake contracts signed with Schaeffler Technologies AG in June 2020 and Sky Rock Rare Earth New Materials Co Ltd in November 2018 for the supply of 5,000 and 2,500 tonnes of MREC per annum respectively. Hastings reported that it has made significant progress towards securing the project finance required to fund the Yangibana Project's construction, with extensive due diligence undertaken by potential lenders since late July 2021 and is awaiting final credit approved commitments from the project finance consortium. Pending the execution of formal loan documentation and satisfaction of standard conditions precedent, it said the first drawdown is expected in late 2022. Hastings added that as part of the financing workstream required to put in place the most advantageous package, the company has actively engaged with leading project finance banks and fixed interest bond providers in Australia and Europe as well as specialist mining funds in addition to the Commonwealth's Northern Australia Infrastructure Facility ("NAIF"), Finland's export credit agency (Finnvera, AUD94 million) and Germany's state bank (KfW-Ipex Bank, USD140 million). The company had on 2 February 2022 announced the approval from NAIF of a AUD140 million loan facility with a 12.5 year tenor, subject to pre-completion conditions. In addition, the company had on 28 March 2022 announced that it has received a firm commitment from its largest shareholder, L1 Capital Pty Ltd, for a placement of 160 million shares to raise a total of AUD40 million.

Atomico IV is a private equity fund managed by Atomico. Founded in 2006 by Niklas Zennström, a serial entrepreneur who co-founded Skype and Kazaa, Atomico is a venture capital investment firm headquartered in London that manages funds which invest in the artificial intelligence and machine learning, climate technology, communication, financial technology, gaming, health-tech, SaaS, industry, mobility, consumer products and consumer services sectors. Atomico IV is Atomico's fourth fund that was formed in 2015 and closed in 2017 with a size of USD765 million. The fund, which has a term of 10 years, invests in European startups from Series A on that have global potential. The Group participated in Atomico IV in 2016 with a relatively small commitment of USD500,000. The fair value of the Group's investment in Atomico IV at the end of 2021 amounted to RM5.87 million, up 26.5% yoy from RM4.64 million a year ago. 2021 has been a groundbreaking year for European tech with over \$100B of capital invested in the region, and the emergence of 100 new \$B+ companies across 28 countries and 98 cities, 6 of which came from Atomico's portfolio. European tech is creating value at its fastest pace, adding \$1T in just 8 months and bringing the total value to \$3T. This represents a growth rate of 35% on a CAGR basis. Europe's early-stage pipeline is now on par with the United States, representing 33% of capital raised in rounds <\$5m compared to 35% in the United States. Europe also continues to produce more tech IPOs than the United States and \$B+ public debuts are becoming the norm. Exit activity reached \$275B in value last year.

The Group had on 7 September 2021 invested USD1 million into Platinum Analytics Cayman Limited ("Platinum Analytics") in a larger round of financing that had also included Mark and Mr Teo Koon Hong as co-investors. Platinum Analytics is a financial technology or Fintech startup based in Singapore focusing on the Singapore and China markets. The company presents itself as a 'One Stop Platform' providing a pricing engine, AI trading engine and an electronic communication network (ECN) for the foreign exchange market, focusing on offshore CNY. While the foreign exchange trading business might be highly competitive, we believe the sub-segment offshore RMB market that Platinum Analytics is aiming at appears to be less developed and there seems to be a window of opportunity for the company to establish itself in this area. We recognise that this is a highly risky investment but our portfolio strategy allows for a small portion of our assets to be invested in startups for the potential upside. Mr Teo sits on the board of Platinum Analytics subsequent to his investment into the company.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the year, the Group had invested RM45.42 million (2020: RM6.39 million) into the stocks of 16 listed companies operating in a range of industries. For ease of reference, this portfolio that has been built up since 2019 (excludes Lion Rock, Hastings, the unquoted investments and associates) will hereinafter be referred to as the Equity Portfolio. Most of the companies in the Equity Portfolio are listed in Malaysia, Hong Kong/ China, Singapore and Australia. As at 31 December 2021, the single largest investment in this portfolio was RM8.29 million. These investments as well as other targets emanated from research conducted internally in line with the Group's investment objectives and are reviewed and approved by the Investment Committee and Board of Directors respectively. Should the prices of these stocks move within our target buy prices, we may increase our investments in these stocks further as well as to acquire other target stocks on our buy-list. This portfolio generated approximately RM1.21 million in dividends for the Group in 2021 (2020: RM0.098 million) but it is worth highlighting that some of these equity investments were acquired after the companies had already paid their 2021 dividends. As at 31 December 2021, the fair value of this portfolio amounted to RM53.58 million. To prevent any risk of front-running, the identities of the component stocks will be kept confidential save for any laws or regulations that require the Group to provide full disclosure.

	Cost of Investment RM	Carrying Value RM	Fair Value RM
104 Corporation [^]	74,197,084	120,895,458	201,090,622
Innity [^]	8,487,984	13,033,037	13,455,018
Lion Rock	17,799,453	24,322,492	24,322,492
Hastings	10,141,758	17,533,864	17,533,864
Equity Portfolio	54,490,293	53,582,940	53,582,940
Unquoted investments	5,994,399	10,011,009	10,011,009
	171,110,971	239,378,800	319,995,945

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

Looking at the table above, the fair value of the Group's investments in securities and funds including its listed associates as at 31 December 2021 are significantly above the Group's cost of investment owing to the large unrealised gains on 104 Corporation, Lion Rock, Hastings and unquoted investments. While the fair value of Innity is also significantly higher than the cost of investment, its fair value is closer to its carrying value in our books. The fair value of the Equity Portfolio was below cost at the end of 2021 mainly due to some of the issues plaguing Chinese equities such as the regulatory storm on its technology industry, crackdown on the property market, overseas listings of Chinese firms, strict COVID-19 restrictions and so on, which had negatively impacted appetite for Chinese equities. Overall, the unrealised gains, with the exception of 104 Corporation and Innity, have been recognised in Other Comprehensive Income ("OCI") at this stage. Pursuant to the MFRS 9 – *Financial Instruments*, the Group has elected to classify its equity investments as fair value through other comprehensive income ("FVOCI") where fair value changes on the Group's equity investments will continue to be presented in OCI but any cumulative gain or loss in OCI will be directly transferred to retained earnings upon the sale of the equity investments. The unrealised gains on 104 Corporation and Innity, as associates, have not been recognised at all.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's treasury management objectives are to ensure there is available liquidity when needed and to preserve our long-term purchasing power to acquire investments. In that respect, the Group has decided that the main currencies that it will maintain are MYR, USD, SGD and HKD. Although this may result in volatility in our P&L as seen in our 2016 and 2017 results, the Group does not intend to actively manage or trade currency positions nor engage in any speculative activities. The Group's MYR holdings are placed in interest bearing bank deposits and money market unit trust funds. In December 2021, the Malaysian Parliament had approved the Finance Bill 2021 which incorporated a number of announcements made in the Budget 2022, one of them was the removal of tax exemption on income distributed to non-individual unit holders of retail money market funds. To avoid any potential negative impact, the Group had as a measure of prudence decided to withdraw all of its MYR funds placed in money market unit trust funds in late 2021 but subsequently in 2022, the MYR funds were placed back into some more tax efficient money market funds. In terms of interest rate, after reducing the Overnight Policy Rate ("OPR") by a total of 125 basis points to a historic low of 1.75%, Bank Negara kept the OPR unchanged in 2021 to maintain a low interest rate environment that supported the domestic economic recovery and help eased the burden of households and businesses. The low interest rate environment meant that the Group's MYR cash holdings continued to yield low returns in 2021.

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

FUTURE PLANS AND PROSPECTS

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, certain countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The Russian invasion of Ukraine in February 2022 had upended the global economic outlook and greatly amplified uncertainty for a world economy still contending with COVID-19. The war has further increased commodity prices and intensified supply disruptions, adding to inflation.

After a strong recovery in 2021, global growth is projected to decline from an estimated 6.1% in 2021 to 3.6% in 2022 (International Monetary Fund, April 2022). The ongoing war in Ukraine and sanctions on Russia are expected to reduce global growth in 2022 through direct impacts on the two countries and global spillovers via global commodity prices, trade and financial linkages, labour supply and humanitarian impacts. This shock comes just as the threat from the Omicron variant appeared to be fading, with many parts of the world moving past the acute phase of the pandemic. Even before the war, inflation had risen significantly and many central banks tightened monetary policy. Policy rates are expected to increase further in 2022 not only in advanced economies but also emerging market and developing economies, with the exception of China whose inflation remains low. Expectations of tighter policy and worries about the war have also contributed to financial market volatility. In addition, fiscal support to cushion the impact of the pandemic is set to decline in 2022 particularly in advanced economies as the pandemic situation improves. Another key concern in 2022 would be the expectation of slower growth in China in 2022. The combination of more transmissible variants and a zero-COVID strategy entail the prospect of more frequent lockdowns, hampering domestic private consumption growth and compounding supply disruptions in the

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

region. The continued attention on highly leveraged property developers means that real estate investment remains subdued.

If it wasn't clear from the earlier two paragraphs, countries are facing rising inflation which is a real cause of concern where inflation is not driven by consumption and economic growth. With the impact of the war in Ukraine and broadening of price pressures, inflation is expected to remain elevated for some time. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in emerging market and developing economies (International Monetary Fund, April 2022). During 2022, demand is expected to soften in line with the moderating recovery and the withdrawal of broad-based policy support. Although supply bottlenecks are generally anticipated to ease as production responds to higher prices, recurrent lockdowns in China as a result of their zero-COVID strategy, the war in Ukraine and sanctions on Russia are likely to prolong disruptions in some sectors well into 2023. This is expected to add to shortages not just of energy supply but also key manufacturing inputs such as rare metals and gases.

At the time of writing, the war in Ukraine has not ended although the fight has shifted towards the Donbas region in the east. The war has undermined global economic prospects even as many economies are only beginning to regain momentum in their recovery from the fallout of the pandemic. It is more likely that growth could slow further and inflation turn out higher than expected. Overall, risks are elevated where an unprecedented combination of factors shapes the outlook, with the individual elements interacting in ways that are inherently difficult to predict. The most prominent risks are, firstly, a worsening of the war that could exacerbate the humanitarian crisis and tighter sanctions leading to more supply disruptions, global price rises, volatility in commodity markets and further declines in output. Secondly, the pandemic may yet take another turn for the worse. A more dangerous mutation, perhaps one that retains Omicron's ability to dodge immunity but with enhanced lethality, would be a significant blow. Thirdly, a prolonged downturn in China would result in reduced demand for exports from many middle and low income countries in the region and in the case of more prolonged lockdowns, could also disrupt goods supply for the rest of the world. Fourthly, higher inflation expectations could be more widespread and in turn, lead to further increases in prices. Moreover, there is a risk that pent-up wage increases will materialise and add to overall price pressures. Fifthly, higher interest rates could lead to widespread debt distress as the pandemic had led to record levels of public debt around the world. Lastly, the climate crisis remains unresolved. Global emissions are on current trends very likely to overshoot the Paris Agreement temperature goals by the end of the century and lead to catastrophic climate change. Indeed, the effects of warming are already starting to show. Droughts, forest fires, floods and major hurricanes have become more frequent and more severe.

In this environment of great uncertainty, we will continue with our strategy, albeit cautiously, of developing a broad portfolio of long-term investments that would generate dividend income at targeted yields which in return can be paid onwards to our shareholders. The development of this broad-based portfolio had only begun in earnest in 2020. In that year, we had invested RM6.39 million which was followed by another RM45.42 million in 2021 and another RM12.21 million in Q1 2022. During these turbulent times, while we can expect some of our investments especially the recent ones to have temporary unrealised losses, we may also be able to seize the opportunity to invest more in undervalued businesses. As mentioned in last year's Management and Discussion Analysis, we will continue to take comfort in what history is telling us that equities will almost always recoup lost ground over time. We may experience market crashes along our journey, but in general, equities perform relatively well over time. We cannot guarantee that each and every one of our investments will succeed or give us the desired returns but that is why we try to build a diversified portfolio made up of stocks based on strong fundamentals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board is pleased to report to shareholders, the Company’s application of the following three key principles of the MCCG during the financial year ended 31 December 2021:

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

The application of each Practice set out in the MCCG has been detailed in the Corporate Governance Report which can be found on the Group’s website at www.jcbnext.com as well as via an announcement on the website of Bursa Malaysia.

A. BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

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

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

The Board assumes the following specific duties and responsibilities:

- (i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management’s performance in implementing them to determine whether the business is being properly managed;
- (ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
- (iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the MMLR, the Capital Markets and Services Act 2007, the CA 2016, the MCCG and all applicable laws, regulations and guidelines;
- (iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company’s expense in furtherance of the Board’s duties;
- (v) Remuneration of Non-Executive Directors - determining the remuneration of non-executive Directors, with the individuals concerned abstaining from discussions of their own remuneration
- (vi) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

- (vii) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;
- (viii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (ix) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (x) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;
- (xi) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xii) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and terms of reference to such committees established by the Board;
- (xiii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;
- (xiv) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
- (xv) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders.

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

- (i) Strategic issues and planning;
- (ii) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (iii) Treasury policies;
- (iv) Risk management policies;
- (v) Appointment of auditors and review of the financial statements encompassing annual audited financial statements and quarterly reports;
- (vi) Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercises which requires the shareholders' approval;
- (vii) Financing and borrowing activities;
- (viii) Ensuring regulatory compliance;
- (ix) Reviewing the adequacy and integrity of internal controls;
- (x) Declaration of dividends;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

- (xi) Business plans and budget;
- (xii) Appointment of Directors, CEO, Chief Financial Officer and other key responsible persons;
- (xiii) Key human resource issues;
- (xiv) Limits of Authority;
- (xv) Conflict of interest issue relation to a substantial shareholder or a Director including approving related party transactions;
- (xvi) Codes, frameworks, policies and procedures; which was previously approved by the Board; and
- (xvii) Sustainability risks and opportunities.

Board Charter

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

Clear Functions of the Board and Senior Management

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

The Board delegates certain responsibilities to the Board Committees to assist in the discharge of its responsibilities. The role of Board Committees is to advise and make recommendations to the Board. Standing committees of the Board include the Nomination Committee, the Audit and Risk Committee (please refer to the Audit and Risk Committee Report set out on pages 45 to 47 of this Annual Report), the Remuneration Committee and the Investment Committee.

Chairman and CEO

The Chairman and CEO roles are undertaken by separate persons. The Chairman role is helmed by Datuk Ali bin Abdul Kadir, a Non-Independent Non-Executive Director. The Chairman is not a member of the Audit Committee, Nomination Committee or Remuneration Committee as prescribed in the MCGG. In addition, the responsibilities of the Chairman and the CEO are clearly divided in accordance with the requirements of the MCGG. Datuk Ali, as the Chairman, is responsible for running the Board and ensuring that all Directors receive sufficient information to enable them to participate actively in Board decisions. Datuk Ali is also the Senior Non-Independent Non-Executive Director designated to clarify matters or enquiries that may be raised by shareholders or investors. Executive management is led by Mr. Liong Wei Li who as the CEO is responsible for the day to day management of the business as well as the implementation of Board policies and decisions.

Code of Ethics

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

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

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

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into force on 1 June 2020, the Board has adopted an Anti-Bribery and Corruption Policy which sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

Promote Sustainability

The Board is aware of the importance of business sustainability and ensures that there is a plan for promoting sustainability in the development of the Group's strategies, by balancing the environmental, social and governance aspects of business with the expectations of its various stakeholders. The need to promote sustainability is enshrined in the Board Charter. More details of the Group's efforts in incorporating sustainability in its business operations can be found in the Sustainability Statement on pages 42 to 44 of the Annual Report.

Access to Information and Advice

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

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

Qualified and Competent Company Secretaries

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

Board Composition

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

Nomination Committee

The Nomination Committee comprised of the following members:

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

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

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The 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. Teo Koon Hong, for re-election at the forthcoming Eighteenth Annual General Meeting ("AGM") pursuant to Clause 96 of the Constitution of the Company.

During the financial year under review, one (1) meeting were held which was attended by all its members.

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

- (i) Reviewed and assessed the performance, effectiveness, mix of skills and experiences of the Board and the respective Board Committees as a whole and the respective contributions of each individual Director for the year 2020;
- (ii) Proposed to recommend to the Board the re-election of Directors who would be due to retire at the next AGM;
- (iii) Reviewed the training undertaken by individual Directors;
- (iv) Reviewed and assessed the independence of Independent Directors and their tenure of service;
- (v) Reviewed and assessed the term of office and performance of the Audit and Risk Committee and its members;
- (vi) Reviewed the proposed change in the composition of the Audit and Risk Committee; and
- (vii) Reviewed the re-designation of Mr. Liang Wei Li from Acting CEO to CEO.

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. A Board Diversity Policy has been adopted which sets out the approach to achieve diversity on the Board. While the Board does not have a specific

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

policy on gender diversity, the Nomination Committee acknowledges the need to promote gender diversity in accordance with Practice 5.5 and 5.9 of the MCGG and has set a target of attaining 20% women directors. This target has been achieved with the appointment of Ms Cindy Eunbyol Ko to the Board in 2019.

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

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

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

All assessments and evaluations carried out by Nomination Committee in the discharge of all its functions are properly documented. The annual assessment of the Board for the financial year ended 31 December 2021 was conducted on 30 March 2022. The Nomination Committee was satisfied that the size, structure and composition of the Board remained appropriate and concluded that the Board and Board Committees generally have a good mix of skills, knowledge, experience and professional qualifications required to contribute positively to the Group and was operating in an effective manner and that each Director continued to make effective contributions to the work of the Board.

Remuneration Committee and Remuneration of Directors and Senior Management

The Remuneration Committee is comprised of the following members:

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

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

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

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

The Remuneration Committee meets as and when required. For the financial year under review, two (2) meetings was held and was attended by all its members. The Remuneration Committee reviewed and recommended to the Board, the remuneration of the Executive Director and key senior management officers and the fees of the Directors for shareholders' approval at the AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

The details of the remuneration of the Directors received/ receivable from the Group and the Company for the financial year ended 31 December 2021 are set out below:

	Fees RM	Meeting allowances RM	Total RM
Non-Executive Directors			
Datuk Ali bin Abdul Kadir	67,000	5,000	72,000
Teo Koon Hong	64,000	10,500	74,500
Lim Chao Li	60,000	8,000	68,000
Cindy Eunbyol Ko	60,000	10,500	70,500
Total	251,000	34,000	285,000

The details of the remuneration of Senior Management (comprising salary, bonus and other emoluments) for the financial year ended 31 December 2021 in bands of RM50,000 are set out below:

	Designation	RM
Liong Wei Li	Chief Executive Officer	400,001-450,000
Wong Siew Hui	Chief Technology Officer	500,001-550,000
Gregory Charles Poarch	Chief Financial Officer	300,001-350,000

Note:

The Group has only 11 employees as at 31 December 2021. Mr. Wong Siew Hui and Mr. Gregory Charles Poarch together with Mr. Liong Wei Li, form the senior management team.

Independent Directors

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

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

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

The Nomination Committee noted Practice 5.3 of the MCCG which states that the tenure of an independent director should not exceed a cumulative term of nine years and upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. Practice 5.3 of the MCCG further states that if the board intends to retain an independent director beyond nine years, it should justify and seek shareholders' approval through a two-tier voting process.

Based on the assessment carried out on 30 March 2022 for the financial year ended 31 December 2021, the Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Group.

Time commitment of Directors

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Based on the assessment carried out on 30 March 2022 for the financial year ended 31 December 2021, 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 2021 and the summary of attendance at the Board Meetings held is as follows:

Directors	Number of Board Meetings	
	Held	Attended
Datuk Ali bin Abdul Kadir (Chairman)	4	4
Teo Koon Hong	4	4
Lim Chao Li	4	4
Cindy Eunbyol Ko	4	4

Directors' Training

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

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

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

1. Joint Ventures – Terms of Agreement by ENRA Group Berhad
2. Related Party Transactions by ENRA Group Berhad
3. Joint Committee on Climate Change – A Briefing on the Taxonomy by Bank Negara Malaysia
4. Citi's Outside Director Training Call by Citi International Franchise Management
5. Citi Country Officer Conversations by Citi International Franchise Management
6. Anti-Money Laundering and Counter Financing of Terrorism by Citi Independent Compliance Risk Management
7. Liquidity Risk Internal Liquidity Stress Test by Citi Treasury
8. Global Consumer Banking Credit Risk Appetite Framework and Wholesale Credit Risk Overview by Citi Consumer Banking Business/ Citi Credit Risk
9. SDG Webinar – Prosperity, Inclusivity and Sustainability by Amanah Lestari Alam
10. China Regulatory Impact on Capital Market by Citi
11. Market Outlook Mid-Year 2021 by Julius Baer
12. Tax Webinar on Withholding Tax by BDO
13. Webinar – What Really Drives Electric Vehicles by Julius Baer
14. ESG Webinar by BDO
15. Tax Webinar – Latest Tax Audit Issues Faced by Taxpayer by BDO
16. Webinar on Climate Change and Finance: Risks and Opportunities by Professor Lucie Tepla of INSEAD
17. 1ST Distinguished Board Leadership Webinar: Rethinking Our Approach to Cyber Defence in Financial Institutions by FIDE FORUM
18. Industry Briefing: FIDE FORUM's Board Effectiveness Evaluation Framework & Approach by FIDE FORUM
19. Webinar on The Phoenix Encounter Method by Professor Sameer Hasija of INSEAD
20. Webinar on Identifying and Reporting Climate-Related Financial Risk by Ernst & Young Advisory Services Sdn Bhd
21. Webinar on Digital Strategies for Banks to Thrive in Today's Crisis and Beyond by Ms Zhi-Ying Barry of Forrester
22. BNM-FIDE FORUM Dialogue on The Role of Independent Director in Embracing Present and Future Challenges by FIDE FORUM
23. Joint Committee on Climate Change (JC3) Flagship Conference 2021 by BNM and SC
24. Webinar on Cybersecurity – The Way Forward by Mr Guy Marong
25. Islamic Finance for Board of Directors by ISRA International Consulting Sdn Bhd

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

26. BNM-FIDE FORUM Dialogue on RMIT: Insights 1 Year On by FIDE FORUM
27. Webinar on Legal Perspective of AML/CFT by Mr Hargopal Singh Gill
28. Webinar on BNM's Policy Document on Recovery Planning by KPMG
29. FIDE FORUM's Engagement Session on Board Leadership Framework by FIDE FORUM
30. Webinar on Digital Transformation in the US and China – Lessons We Can Draw by Professor Chengyi Lin of INSEAD
31. Webinar on Global Economic Outlook by Professor Antonio Fatas of INSEAD
32. FIDE FORUM Dialogue on The 2050 Net Zero Carbon Emissions Target: Finance's Role by FIDE FORUM
33. Tonic Activator Program 201: Impact Portfolio Construction by Tonic

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

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

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

Compliance with applicable financial reporting standards

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

The Statement by Directors pursuant to Section 251 (2) of the Companies Act 2016 is set out on page 121 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 51 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 2021 and concluded that the provision of these services did not compromise the External Auditors' independence and objectivity. Please refer to page 50 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 2021.

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 26 April 2022, the Audit and Risk Committee assessed the suitability and independence of the External Auditors and have recommended to the Board to propose to shareholders at the forthcoming AGM the reappointment of the External Auditors to hold office for the ensuing year.

Risk Management and Internal Control

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

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

Enterprise Risk Management Framework

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

A Risk Management Working Committee assists the Audit and Risk Committee and the Board in identifying, mitigating and monitoring critical risks. The Working Committee is responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages the principal risk exposures by ensuring that necessary steps have been taken to mitigate 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 48 to 49 of this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

Internal audit function

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

The internal audit function has been outsourced to Resolve IRR 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 47 of the Annual Report.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Corporate disclosure policy and investor relations

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

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

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

Leverage on information technology for effective dissemination of information

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

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

Dialogue with shareholders

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

of key matters discussed at the AGM will be published on the Group's website at www.jcbnext.com as soon as practicable after the conclusion of the AGM.

Encourage shareholder participation at general meetings

The Notice of the forthcoming Eighteenth AGM together with the Annual Report will be sent to shareholders at least 28 days prior to the AGM which will be held on 22 June 2022. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Items of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolutions.

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

Poll voting

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

Effective communication and proactive engagement

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

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

SUSTAINABILITY STATEMENT

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

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

Subsequent to the sale of the online job portal business and with a workforce of a mere 11 employees at the end of 2021, the Group is of the view that it does not have any significant direct economic, environment and social impacts at this juncture. Going forward, as an investment holding company, we aim to be a responsible capital provider that incorporates sustainability as an important investment criterion when evaluating future investments. We believe this is important, good for our long-term risk-adjusted financial returns and aligned to our stakeholders' expectations.

SUSTAINABILITY GOVERNANCE STRUCTURE

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

STAKEHOLDER ENGAGEMENT

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

MATERIALITY ASSESSMENT

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

SUSTAINABILITY MATTERS

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

A. ECONOMIC

Indirect economic impact from investment activities

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

B. SOCIAL

Businesses that positively impact society

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

Employee benefits and welfare

JcbNext seeks to be a caring employer. Recognising the rising cost of living, the Company provides transport allowances to our non-managerial staff as well as increasing the limit for outpatient treatment claims and hospitalisation and surgery insurance to levels deemed adequate to cater for most circumstances. The Company had also extended the coverage of its hospitalisation and surgery insurance to immediate family members of employees. Further, the Company also provides time-off for antenatal check-ups for our female staff. Other employee benefits practiced in the Group include the provision of comprehensive annual health screening for those above 30 years of age, term life insurance for all staff and long service monetary award for long standing staff. The Company is also continuously looking at ways of promoting a healthy lifestyle among our employees. Some of the

SUSTAINABILITY STATEMENT (CONTINUED)

initiatives include an office exercise bike and implementing a Eat Healthy programme where the Company subsidises employees to have more vegetables and less carbs for lunch. In addition, as a landlord and owner of Wisma JcbNext, the Company had installed a chair lift to assist persons with disabilities access the building.

As COVID-19 started to spread in early 2020, the Company prioritised the safety and wellbeing of employees by providing hand sanitisers and disinfecting lift buttons and door handles in the office premise on an hourly basis. The Company had also began testing its Work From Home (“WFH”) plan in early February 2020 and encouraged employees to do so at the beginning of March even before government imposed lockdowns commenced. The Company has been operating fully on WFH basis since then. During this time, monthly staff zoom meetings were organised with the objective of keeping our staff engaged. During the year, as the country’s vaccination exercise is rolled out, the Company encouraged and facilitated our employees to go for their vaccinations including booster shots. In addition, employees were each given a care package containing items such as hand sanitiser, KN95 masks, face shield and Vitamin C to help employees protect themselves.

Anti-Bribery and Corruption Policy

JcbNext is committed to apply the highest standards of ethical conduct and integrity when conducting our business. Every employee and person acting on the Group’s behalf is responsible for maintaining our reputation and for conducting the Group’s business honestly and professionally. The Group’s Anti-Bribery and Corruption Policy was adopted on 25 February 2020. With the adoption of the policy, the Group embraces zero tolerance to bribery and corruption consistent with the Group’s business principles. This is also in line with the laws of the Guidelines on Adequate Procedures through Malaysian Anti-Corruption Commission (“MACC”) Amendment Act 2018. During the year, work continued on developing an Anti-Bribery and Corruption Compliance Programme based on the five principles of adequate procedures, TRUST, as prescribed in the Guidelines on Adequate Procedures issued by the Prime Minister’s Department.

C. ENVIRONMENT

Green and eco-friendly practices

We constantly remind our staff to reduce paper usage and print double-sided where possible. With only 11 staff across the Group now, we believe the carbon footprint of our Group in this regard is immaterial. Nevertheless, as a responsible corporate citizen, we believe it is still beneficial to instil awareness among our employees to be environmentally friendly and reduce wastage of paper or any other consumables. Even before the Company had embarked on its WFH phase in early 2020, Board meetings were already conducted paperless which saw a significant reduction of paper used compared with previous years. We also support the initiative of the regulators to allow companies to communicate with shareholders via electronic means and starting in 2020, we have done away with the printing of our annual report and held virtual AGMs. With the growing trend of ordering take-aways for lunch more so with the ongoing COVID-19 pandemic, we have also increased awareness among employees of the proper way to dispose take-away containers that is recycling friendly.

AUDIT AND RISK COMMITTEE REPORT

MEMBERSHIP

Chairman : Teo Koon Hong (*Independent Non-Executive Director*)
Members : Lim Chao Li (*Non-Independent Non-Executive Director*) (*Appointed on 24 November 2021*)
Cindy Eunbyol Ko (*Independent Non-Executive Director*)
Datuk Ali bin Abdul Kadir (*Independent Non-Executive Chairman*) (*Resigned on 24 November 2021*)

MEETINGS

The Audit and Risk Committee ("ARC") held five (5) meetings during the financial year. The attendance of the Committee members was as follows: -

Committee Members	Number of meetings attended during ARC Members' tenure in office
Teo Koon Hong (Chairman)	5/5
Lim Chao Li (Appointed on 24 November 2021)	-
Cindy Eunbyol Ko	5/5
Datuk Ali bin Abdul Kadir (Resigned on 24 November 2021)	5/5

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

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

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

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

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

AUTHORITY AND DUTIES OF THE ARC

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

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

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 24 February 2021 and 24 November 2021, in order to provide the External Auditors an avenue to express any concerns they may have, including those relating to their ability to perform their work without restraint or interference;
- (d) Evaluated the External Auditors' independence and objectivity, as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group; and
- (e) Recommended to the Board to propose to shareholders the reappointment of the External Auditors at the AGM of the Company.

3. Matters relating to Internal Audit

- (a) Reviewed the adequacy of the scope, function, competency and resources of the internal audit function;
- (b) Reviewed and deliberated on the internal audit reports prepared by the internal auditors, including recommendations for corrective actions, management's response and actions taken to improve the Group's system of internal controls and operating procedures; and
- (c) Met with the Internal Auditors without management present twice, on 25 May 2021 and 24 November 2021.

4. Matters relating to risk management and internal control

- (a) Reviewed the Group's Enterprise Risk Management framework, process and structure; and
- (b) Reviewed the risk scorecards, risk ratings and action plans identified by management.

5. Matters relating to corporate governance

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

ARC TRAINING

During the financial year under review, members of the ARC attended training programmes on various subject matters such as regulatory, investment, risk management, corporate governance and other business related programmes to enable them to discharge their responsibilities as members of the ARC more effectively. Details of the trainings are disclosed in the Corporate Governance Overview Statement on pages 37 to 38 of this Annual Report.

INTERNAL AUDIT FUNCTION

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

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

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

- a) Investment Appraisal Process;
- b) Anti-Corruption Measures and Processes; and
- c) Post Investment Tracking, Monitoring and Reporting.

The total costs incurred in supporting the Internal Audit Function for the financial year amounted to approximately RM60,000.00 (2020: RM59,000.00).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

BOARD RESPONSIBILITIES

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

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

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

RISK MANAGEMENT FRAMEWORK AND SYSTEM OF INTERNAL CONTROL

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT REVIEW

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

ASSOCIATED COMPANIES

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

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report of the Group for the year ended 31 December 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

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

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

CONCLUSION

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

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

This statement was approved by the Board of Directors on 26 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

The following information provided is in respect of the financial year ended 31 December 2021.

Audit and Non-Audit Fees

During the financial year ended 31 December 2021, the amount of audit fees and non-audit fees paid or payable to KPMG PLT or a firm or corporation affiliated to KPMG PLT by the Company and the Group are as follows:

	Group RM	Company RM
Audit fees	190,000	180,000
Non-audit fees	46,794	46,794

Material Contracts

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

Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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DIRECTORS' REPORT

for the year ended 31 December 2021

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 2021.

PRINCIPAL ACTIVITIES

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

SUBSIDIARIES

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

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	16,797,106	12,048,535
Non-controlling interests	(57,613)	-
	<hr/>	<hr/>
	16,739,493	12,048,535
	<hr/>	<hr/>

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single tier dividend of 3.0 sen per ordinary share amounting to RM3,965,140 in respect of the financial year ended 31 December 2020 on 21 July 2021.

The Directors recommend the payment of a final single tier dividend of 3.5 sen per ordinary share amounting to RM4,621,040 in respect of the financial year ended 31 December 2021. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2021, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

DIRECTORS OF THE COMPANY

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

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			At 31.12.2021
	At 1.1.2021	Bought	Sold	
Interest in the Company:				
Datuk Ali bin Abdul Kadir	740,000	-	-	740,000
Lim Chao Li	618,700	381,300	-	1,000,000
Deemed interests in the Company:				
Datuk Ali bin Abdul Kadir	42,000	-	(42,000)	-

None of the other Directors holding office at 31 December 2021 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

ISSUE OF SHARES AND DEBENTURES

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

SHARE BUY-BACK

On 16 June 2021, 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, 2,090,200 of its issued ordinary shares ("JcbNext Shares") listed on the Main Market of Bursa Malaysia Securities Berhad, at an average buy-back price of approximately RM1.31 per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM2,729,988 and was financed by internally generated funds. The JcbNext Shares bought back are held as treasury shares in accordance with Section 127 Subsection 4(b) of the Companies Act 2016. On 28 December 2021, the Company cancelled 2,090,200 of its treasury shares held pursuant to Section 127 Subsection 4(a) of the Companies Act 2016.

INDEMNITY AND INSURANCE COSTS

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

OTHER STATUTORY INFORMATION

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

The auditors' remuneration is disclosed in Note 19 to the financial statements.

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

DATUK ALI BIN ABDUL KADIR

Director

LIM CHAO LI

Director

Kuala Lumpur

Date: 26 April 2022

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Assets					
Property and equipment	3	72,522	117,876	64,593	104,910
Right-of-use assets	4	33,763	81,321	-	-
Investment properties	5	18,388,000	18,388,000	18,388,000	18,388,000
Investments in subsidiaries	6	-	-	67,051,912	28,332,264
Investments in associates	7	133,928,495	125,091,464	82,685,068	83,744,287
Other investments	8	105,450,305	50,215,792	49,071,014	33,711,641
Total non-current assets		257,873,085	193,894,453	217,260,587	164,281,102
Other investments	8	-	44,242,390	-	44,242,390
Current tax assets		38,879	-	38,879	-
Trade and other receivables	9	183,683	614,398	160,265	550,160
Prepayments and other assets		141,732	127,674	106,149	91,665
Deposits with licensed banks with original maturities more than three months		20,188,216	31,207,555	20,188,216	31,207,555
Cash and cash equivalents	10	68,357,578	55,431,594	61,566,223	50,681,502
Total current assets		88,910,088	131,623,611	82,059,732	126,773,272
Total assets		346,783,173	325,518,064	299,320,319	291,054,374
Equity					
Share capital		196,619,727	196,619,727	196,619,727	196,619,727
Reserves		148,259,429	126,979,094	101,173,607	92,903,635
Total equity attributable to owners of the Company		344,879,156	323,598,821	297,793,334	289,523,362
Non-controlling interests	11	23,069	84,232	-	-
Total equity		344,902,225	323,683,053	297,793,334	289,523,362
Liabilities					
Borrowings	12	181,500	-	-	-
Deferred tax liabilities	13	116,446	124,951	116,446	124,951
Total non-current liabilities		297,946	124,951	116,446	124,951
Lease liabilities		33,956	82,802	-	-
Other payables	14	1,537,794	1,594,342	1,410,539	1,380,147
Current tax payables		11,252	32,916	-	25,914
Total current liabilities		1,583,002	1,710,060	1,410,539	1,406,061
Total liabilities		1,880,948	1,835,011	1,526,985	1,531,012
Total equity and liabilities		346,783,173	325,518,064	299,320,319	291,054,374

The notes on pages 66 to 120 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	15	6,353,995	6,021,451	13,983,956	14,966,401
Other operating income		1,864,455	230,742	2,045,846	-
Contract and outsourcing cost		(289,293)	(479,536)	-	-
Depreciation of property and equipment	3	(45,557)	(162,270)	(40,315)	(157,005)
Depreciation of right-of-use assets	4	(118,167)	(119,224)	-	-
Staff costs	17	(2,402,849)	(2,984,854)	(2,240,688)	(2,390,836)
Other operating expenses		(1,982,538)	(2,528,975)	(1,761,593)	(2,224,134)
Results from operating activities		3,380,046	(22,666)	11,987,206	10,194,426
Interest income		7	19	-	-
Interest expense		(8,761)	(10,412)	-	-
Net interest expense		(8,754)	(10,393)	-	-
(Loss)/Gain on financial assets classified as fair value through profit or loss		(2,147)	(4,446)	1,975	2,221
Gain on changes of interest in an associate		12,608	-	-	-
Gain on disposal of investment in an associate		1,588,988	-	1,777,656	-
Loss on changes in fair value of investment properties	5	-	(500,000)	-	(500,000)
Impairment loss on amounts due from subsidiaries		-	-	(256,872)	(66,446)
Share of profit of equity accounted associates, net of tax		13,309,900	8,421,320	-	-
Profit before tax		18,280,641	7,883,815	13,509,965	9,630,201
Tax expense	18	(1,541,148)	(1,493,790)	(1,461,430)	(1,484,104)
Profit for the year	19	16,739,493	6,390,025	12,048,535	8,146,097

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

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Profit for the year	19	16,739,493	6,390,025	12,048,535	8,146,097
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income					
- Gain/(Loss) on price change		5,607,082	(6,517,288)	2,053,762	(10,742,450)
- (Loss)/Gain on exchange differences		(136,696)	130,993	862,803	(530,897)
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		5,648,430	5,225,244	-	-
Share of gain/(loss) of equity- accounted associates		55,991	(118,616)	-	-
Total other comprehensive income/(expense) for the year, net of tax		11,174,807	(1,279,667)	2,916,565	(11,273,347)
Total comprehensive income/(expense) for the year		27,914,300	5,110,358	14,965,100	(3,127,250)
Profit attributable to:					
Owners of the Company		16,797,106	6,450,450	12,048,535	8,146,097
Non-controlling interests		(57,613)	(60,425)	-	-
Profit for the year		16,739,493	6,390,025	12,048,535	8,146,097
Total comprehensive income /(expense) attributable to:					
Owners of the Company		27,975,463	5,164,992	14,965,100	(3,127,250)
Non-controlling interests		(61,163)	(54,634)	-	-
Total comprehensive income /(expense) for the year		27,914,300	5,110,358	14,965,100	(3,127,250)
Basic earnings per ordinary share based on profit attributable to owners of the Company (sen):	20	12.68	4.80		

The notes on pages 66 to 120 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2021

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

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Group	Note	Attributable to owners of the Company						Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		Share capital RM	Capital reserve RM	Translation reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM				
At 1 January 2021		196,619,727	1,791,642	26,383,423	7,960,024	5,742,256	-	85,101,749	323,598,821	84,232	323,683,053
Foreign currency translation differences for foreign operations		-	-	5,651,980	-	-	-	-	5,651,980	(3,550)	5,648,430
Equity instruments designated at fair value through other comprehensive income		-	-	-	5,607,082	-	-	-	5,607,082	-	5,607,082
- Gain on price changes		-	-	-	(136,696)	-	-	-	(136,696)	-	(136,696)
- Loss on exchange differences		-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted associates		-	82,916	(26,925)	-	-	-	-	55,991	-	55,991
Total other comprehensive income for the year		-	82,916	5,625,055	5,470,386	-	-	-	11,178,357	(3,550)	11,174,807
Profit for the year		-	-	-	-	-	-	16,797,106	16,797,106	(57,613)	16,739,493
Total comprehensive income of the year		-	82,916	5,625,055	5,470,386	-	-	16,797,106	27,975,463	(61,163)	27,914,300
<i>Contributions by and distributions to owners of the Company</i>											
- Treasury shares acquired	11	-	-	-	-	-	(2,729,988)	-	(2,729,988)	-	(2,729,988)
- Cancellation of treasury shares		-	-	-	-	-	2,729,988	(2,729,988)	-	-	-
- Dividends	21	-	-	-	-	-	-	(3,965,140)	(3,965,140)	-	(3,965,140)
Total transactions with owners of the Company		-	-	-	-	-	-	(6,695,128)	(6,695,128)	-	(6,695,128)
Transfer upon the disposal of investment in an associate		-	(25,503)	-	-	-	-	25,503	-	-	-
At 31 December 2021		196,619,727	1,849,055	32,008,478	13,430,410	5,742,256	-	95,229,230	344,879,156	23,069	344,902,225
		Note 11	Note 11	Note 11	Note 11	Note 11	Note 11				

The notes on pages 66 to 120 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Note	Attributable to owners of the Company				Retained earnings RM	Total equity RM
		Share capital RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM		
At 1 January 2020		196,619,727	17,395,020	5,443,353	(31,030)	80,607,742	300,034,812
Equity instruments designated at fair value through other comprehensive income							
- Loss on price changes		-	(10,742,450)	-	-	-	(10,742,450)
- Loss on exchange differences		-	(530,897)	-	-	-	(530,897)
Total other comprehensive expense for the year		-	(11,273,347)	-	-	-	(11,273,347)
Profit for the year		-	-	-	-	8,146,097	8,146,097
Total comprehensive expense for the year		-	(11,273,347)	-	-	8,146,097	(3,127,250)
<i>Contributions by and distributions to owners of the Company</i>							
- Treasury shares acquired	11	-	-	-	(2,009,322)	-	(2,009,322)
- Cancellation of treasury shares		-	-	-	2,040,352	(2,040,352)	-
- Dividends	21	-	-	-	-	(5,374,878)	(5,374,878)
Total transactions with owners of the Company		-	-	-	31,030	(7,415,230)	(7,384,200)
At 31 December 2020		196,619,727	6,121,673	5,443,353	-	81,338,609	289,523,362

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Note	Attributable to owners of the Company					
		Non distributable			Distributable		
		Share capital RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2021		196,619,727	6,121,673	5,443,353	-	81,338,609	289,523,362
Equity instruments designated at fair value through other comprehensive income							
- Gain on price changes		-	2,053,762	-	-	-	2,053,762
- Gain on exchange differences		-	862,803	-	-	-	862,803
Total other comprehensive income for the year		-	2,916,565	-	-	-	2,916,565
Profit for the year		-	-	-	-	12,048,535	12,048,535
Total comprehensive income for the year		-	2,916,565	-	-	12,048,535	14,965,100
<i>Contributions by and distributions to owners of the Company</i>							
- Treasury shares acquired	11	-	-	-	(2,729,988)	-	(2,729,988)
- Cancellation of treasury shares		-	-	-	2,729,988	(2,729,988)	-
- Dividends	21	-	-	-	-	(3,965,140)	(3,965,140)
Total transactions with owners of the Company		-	-	-	-	(6,695,128)	(6,695,128)
At 31 December 2021		196,619,727	9,038,238	5,443,353	-	86,692,016	297,793,334

The notes on pages 66 to 120 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities					
Profit before tax		18,280,641	7,883,815	13,509,965	9,630,201
Adjustments for:					
Changes in fair value of investment properties	5	-	500,000	-	500,000
Depreciation of property and equipment	3	45,557	162,270	40,315	157,005
Depreciation of right-of-use assets	4	118,167	119,224	-	-
Property and equipment written off	3	2	13	2	6
Share of profit after tax of equity-accounted associates		(13,309,900)	(8,421,320)	-	-
Dividend income		(3,461,162)	(1,997,163)	(11,402,945)	(11,349,264)
Interest income		(751,130)	(1,559,615)	(750,725)	(1,522,345)
Finance costs		8,761	10,412	-	-
Investment distribution income	15	(603,442)	(996,699)	(603,442)	(996,699)
Impairment loss on amounts due from subsidiaries		-	-	256,872	66,446
Loss/(Gain) on financial assets classified as fair value through profit or loss		2,147	4,446	(1,975)	(2,221)
Gain on changes of interest in an associate		(12,608)	-	-	-
Gain on disposal of investment in an associate		(1,588,988)	-	(1,777,656)	-
Unrealised foreign exchange (gain)/loss		(775,516)	380,367	(973,321)	445,270
Operating loss before working capital changes		(2,047,471)	(3,914,250)	(1,702,910)	(3,071,601)
Changes in trade and other receivables		356,464	(115,594)	197,107	(477,024)
Changes in prepayments and other assets		(15,255)	30,618	(14,484)	6,459
Changes in other payables		(72,953)	10,921	30,392	118,109
Cash used in operations		(1,779,215)	(3,988,305)	(1,489,895)	(3,424,057)
Income tax paid		(1,609,075)	(1,473,112)	(1,534,728)	(1,463,696)
Interest received		820,860	1,868,613	820,122	1,793,899
Interest paid		(8,772)	(10,439)	-	-
Net cash used in operating activities		(2,576,202)	(3,603,243)	(2,204,501)	(3,093,854)
Cash flows from investing activities					
Acquisition of other investments		(99,371,691)	(58,942,261)	(62,046,250)	(54,637,537)
Acquisition of property and equipment	3	-	(39,445)	-	(37,623)
Acquisition of treasury shares		(2,729,988)	(2,009,322)	(2,729,988)	(2,009,322)
Dividends received from an associate	15	8,909,246	9,365,733	8,909,246	9,365,733
Dividends received from other investments	15	3,461,162	1,242,105	2,493,699	1,242,105
Increase in investment in a subsidiary	6	-	-	(38,719,648)	(4,117,756)
Investment distribution income received	15	603,442	996,699	603,442	996,699
Net change in deposits with licensed banks with original maturities more than 3 months		11,019,339	31,237,548	11,019,339	26,375,948
Proceeds from disposal of investment in an associate		2,836,875	-	2,836,875	-
Proceeds from disposal of other investments		93,847,807	64,862,756	93,847,807	64,862,756
Net cash generated from investing activities		18,576,192	46,713,813	16,214,522	42,041,003

STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from financing activities					
Dividends paid to shareholders of the Company	21	(3,965,140)	(5,374,878)	(3,965,140)	(5,374,878)
Payment of lease liabilities		(119,397)	(120,221)	-	-
Proceeds from borrowings		181,500	-	-	-
Net cash used in financing activities		(3,903,037)	(5,495,099)	(3,965,140)	(5,374,878)
Net increase in cash and cash equivalents		12,096,953	37,615,471	10,044,881	33,572,271
Cash and cash equivalents at beginning of the year		55,431,594	18,185,688	50,681,502	17,489,279
Effects of exchange rate fluctuations on cash held		829,031	(369,565)	839,840	(380,048)
Cash and cash equivalents at end of year	10	68,357,578	55,431,594	61,566,223	50,681,502

Cash outflows for leases as a lessee

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Included in net cash from operating activities				
Payment relating to leases of low value assets	2,160	2,340	2,160	2,340
Interest paid in relation to lease liabilities	8,445	10,439	-	-
Included in net cash from financing activities				
Payment of lease liabilities	119,397	120,221	-	-
Total cash outflows for leases	130,002	133,000	2,160	2,340

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

	At 1 January 2020 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 31 December 2020/At 1 January 2021 RM	Acquisition of new lease RM	Net changes from financing cash flows RM	Foreign exchange movement RM	At 31 December 2021 RM
Lease liabilities	75,617	128,734	(120,221)	(1,328)	82,802	72,500	(119,397)	(1,949)	33,956
Borrowings	-	-	-	-	-	-	181,500	-	181,500
Total liabilities from financing activities	75,617	128,734	(120,221)	(1,328)	82,802	72,500	62,103	(1,949)	215,456

The notes on pages 66 to 120 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Principal place of business

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

Registered office

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates. The financial statements of the Company as at and for the financial year ended 31 December 2021 do not include other entities.

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

These financial statements were authorised for issue by the Board of Directors on 26 April 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The following are accounting standards and amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

Amendment effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

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

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

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

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

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

- from the annual period beginning on 1 January 2022 for the amendment that is effective for annual periods beginning on or after April 2021 and 1 January 2022, except for MFRS 1 and MFRS 141 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2023 for the amendment that is effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group and the Company.

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

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

- Note 5 - valuation of investment properties
- Note 7 - valuation of investment in associates
- Note 23 - fair value of unquoted shares

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

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

(ii) Business combinations

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Associates

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Associates (continued)

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

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

(vi) Non-controlling interests

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

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

(vii) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

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

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

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

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

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

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

(c) Financial instruments

(i) Recognition and initial measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) *Amortised cost*

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

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

(b) *Fair value through other comprehensive income*

Equity investments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial assets (continued)

(c) *Fair value through profit or loss*

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

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

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

Financial liabilities

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

(a) *Fair value through profit or loss*

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

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

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial liabilities (continued)

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

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

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

(b) *Amortised cost*

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

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

(iii) Regular way purchase or sale of financial assets

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

Trade date accounting refers to:

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

Settlement date accounting refers to:

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Financial guarantee contracts

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

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

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

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

(v) Derecognition

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

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

(vi) Offsetting

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

(d) Property and equipment

(i) Recognition and measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property and equipment (continued)

(i) Recognition and measurement (continued)

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases

(i) Definition of a lease

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

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

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

(ii) Recognition and initial measurement

(a) As a lessee

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

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

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

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

(b) As a lessor

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

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

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

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

(iii) Subsequent measurement

(a) As a lessee

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

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

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

(b) As a lessor

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

(f) Investment properties

(i) Investment properties carried at fair value

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties (continued)

(ii) Reclassification to/from investment properties

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

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

(g) Cash and cash equivalents

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

(h) Impairment

(i) Financial assets

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(i) Financial assets (continued)

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

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

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

(ii) Other assets

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

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

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

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

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

(j) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(k) Provisions

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

(l) Revenue and other income

(i) Revenue

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

2. Significant accounting policies (continued)

(l) Revenue and other income (continued)

(i) Revenue (continued)

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

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Rental income

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

(iii) Dividend and investment distribution income

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

(iv) Interest income

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

(m) Borrowing costs

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(o) Earnings per ordinary share

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

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

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

(p) Operating segments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

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

(r) Fair value measurement

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY AND EQUIPMENT

Group	Computers RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Total RM
Cost					
At 1 January 2020	296,436	32,574	1,492,336	23,469	1,844,815
Additions	2,983	6,612	28,800	1,050	39,445
Reclassification	(93,001)	-	93,001	-	-
Write off	(57,394)	(5,221)	-	-	(62,615)
Exchange difference	(3)	(7)	-	-	(10)
At 31 December 2020/ 1 January 2021	149,021	33,958	1,614,137	24,519	1,821,635
Write off	(3,860)	(280)	-	-	(4,140)
Exchange difference	399	204	-	41	644
At 31 December 2021	145,560	33,882	1,614,137	24,560	1,818,139
Depreciation					
At 1 January 2020	183,977	13,680	1,403,251	3,195	1,604,103
Depreciation for the year	9,402	6,276	138,668	7,924	162,270
Write off	(57,386)	(5,216)	-	-	(62,602)
Exchange difference	(7)	(4)	-	(1)	(12)
At 31 December 2020/ 1 January 2021	135,986	14,736	1,541,919	11,118	1,703,759
Depreciation for the year	8,030	6,777	25,839	4,911	45,557
Write off	(3,859)	(279)	-	-	(4,138)
Exchange difference	337	81	-	21	439
At 31 December 2021	140,494	21,315	1,567,758	16,050	1,745,617
Carrying amounts					
At 1 January 2020	112,459	18,894	89,085	20,274	240,712
At 31 December 2020/ 1 January 2021	13,035	19,222	72,218	13,401	117,876
At 31 December 2021	5,066	12,567	46,379	8,510	72,522

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY AND EQUIPMENT (CONTINUED)

Company	Computers RM	Office equipment RM	Renovations RM	Furniture and fittings RM	Total RM
Cost					
At 1 January 2020	137,384	20,721	802,404	20,805	981,314
Additions	2,983	4,790	28,800	1,050	37,623
Write off	(21,552)	(4,561)	-	-	(26,113)
At 31 December 2020/ 1 January 2021	118,815	20,950	831,204	21,855	992,824
Write off	(3,860)	(280)	-	-	(4,140)
At 31 December 2021	114,955	20,670	831,204	21,855	988,684
Depreciation					
At 1 January 2020	123,834	10,067	620,320	2,795	757,016
Depreciation for the year	7,376	3,973	138,666	6,990	157,005
Write off	(21,548)	(4,559)	-	-	(26,107)
At 31 December 2020/ 1 January 2021	109,662	9,481	758,986	9,785	887,914
Depreciation for the year	5,973	4,133	25,839	4,370	40,315
Write off	(3,859)	(279)	-	-	(4,138)
At 31 December 2021	111,776	13,335	784,825	14,155	924,091
Carrying amounts					
At 1 January 2020	13,550	10,654	182,084	18,010	224,298
At 31 December 2020/ 1 January 2021	9,153	11,469	72,218	12,070	104,910
At 31 December 2021	3,179	7,335	46,379	7,700	64,593

4. RIGHT-OF-USE ASSETS

	Group Buildings RM
At 1 January 2020	73,716
Addition	128,734
Depreciation	(119,224)
Exchange difference	(1,905)
At 31 December 2020/1 January 2021	81,321
Addition	72,500
Depreciation	(118,167)
Exchange difference	(1,891)
At 31 December 2021	33,763

The Group leases an office with contract terms of 15 months (2020: 2 years). There is no option to renew the lease after that date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT PROPERTIES

	Group and Company	
	2021	2020
	RM	RM
At 1 January	18,388,000	18,888,000
Change in fair value recognised in profit or loss	-	(500,000)
At 31 December	<u>18,388,000</u>	<u>18,388,000</u>

Included in the above are:

	Group and Company	
	2021	2020
	RM	RM
At fair value		
Freehold land	14,000,000	14,000,000
Buildings	4,388,000	4,388,000
	<u>18,388,000</u>	<u>18,388,000</u>

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

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

	Note	Group		Company	
		2021	2020	2021	2020
		RM	RM	RM	RM
Rental income	15	1,222,644	1,093,893	1,226,844	1,098,093
Direct operating expenses:					
- income generating investment properties		<u>(775,177)</u>	<u>(1,049,156)</u>	<u>(775,177)</u>	<u>(1,049,156)</u>

5.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group	Company
	RM	RM
2021		
Less than one year	<u>807,096</u>	<u>807,446</u>
2020		
Less than one year	1,210,644	1,210,994
One to two years	<u>807,096</u>	<u>807,096</u>
Total undiscounted lease payments	<u>2,017,740</u>	<u>2,018,090</u>

5. INVESTMENT PROPERTIES (CONTINUED)

5.2 Fair value information

Fair value of investment properties are categorised as follows:

	Group and Company Level 3	
	2021 RM	2020 RM
Freehold land	14,000,000	14,000,000
Buildings	4,388,000	4,388,000
	18,388,000*	18,388,000*

* RM18,000,000 (2020: RM18,000,000) is determined by an external and independent property valuer.

Level 3 fair value

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

	Group and Company 2021 RM	2020 RM
At 1 January	18,388,000	18,888,000
Losses recognised in profit or loss:		
Change in fair value	-	(500,000)
At 31 December	18,388,000	18,388,000

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% (2020: -5% to -10%) 2) Location = -10% to 0% (2020: 5% to 15%)	The estimated fair value would increase/(decrease) if premium made for differences in age (time factor) and location was higher/(lower).
Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from the property. The expected net cash flows are discounted using an average yield of shop offices/medium-rise office buildings in the vicinity of the property.	3) Void periods = 0 to 1 month per year (2020: 0 to 1 month per year) 4) Risk-adjusted discount rate = 4.00% to 4.30% (2020: 4.00% to 4.30%)	The estimated fair value would increase/(decrease) if void periods were shorter/(longer) or risk-adjusted discount rate were (lower)/higher.

5. INVESTMENT PROPERTIES (CONTINUED)

5.2 Fair value information (continued)

Level 3 fair value (continued)

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

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

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Cost of investment	69,196,363	30,476,715
Less: Accumulated impairment losses	(2,144,451)	(2,144,451)
	67,051,912	28,332,264

During the financial year, the Company has increased its investment in JcbNext Pte. Ltd. by RM38,719,648 by way of capitalisation of amount due from its subsidiary.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2021 %	2020 %
Autoworld.com.my Sdn. Bhd.	Malaysia	Automobile online advertising services	100	100
JcbNext Pte. Ltd. *	Singapore	Investment Holding	100	100
JobStreet.com India Pvt. Ltd. **	India	Ceased operations	100	100
JS Overseas Holdings Limited **	British Virgin Islands	Investment Holding	100	100
Greenfield Japan Kabushiki Kaisha **	Japan	Search and selection, staffing and career consultancy	60	60

* Audited by firms of auditors other than KPMG International

** Consolidated using management accounts as there is no legal requirement for the entity to be audited

Non-controlling interests in subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Investments in associate:				
Investment in shares	82,685,068	83,744,287	82,685,068	83,744,287
Share of post-acquisition profits	16,076,477	11,804,499	-	-
Post-acquisition foreign exchange translation reserve	33,432,770	27,844,031	-	-
Post-acquisition capital reserve	1,734,180	1,698,647	-	-
	<u>133,928,495</u>	<u>125,091,464</u>	<u>82,685,068</u>	<u>83,744,287</u>
Fair value of quoted shares				
Level 1	<u>214,545,641</u>	<u>184,199,030</u>	<u>214,545,641</u>	<u>184,199,030</u>

During the financial year, the Company has disposed 107,391 ordinary shares in 104 Corporation, representing 0.33% of 104 Corporation's issued and paid-up share capital. The gain on disposal to the Group and the Company amounting to RM1,588,988 and RM1,777,656 respectively.

Details of material associates are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2021 %	2020 %
Innity Corporation Berhad*	Malaysia	Provider of interactive online marketing platforms and technologies for advertisers and publishers	20.98	21.03
104 Corporation#	Taiwan	Provider of advertising and consultancy services	22.66	22.99

* Audited by firms of auditors other than KPMG International

Audited by other member firms of KPMG International

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

Summarised financial information

2021	Innity Corporation Berhad RM	104 Corporation RM	
As at 31 December			
Non-current assets	9,261,062	47,233,883	
Current assets	73,979,871	396,378,296	
Non-current liabilities	(1,929,856)	(6,813,295)	
Current liabilities	(41,074,820)	(199,536,115)	
Non-controlling interest	(1,699,944)	(364,151)	
Net assets	<u>38,539,313</u>	<u>236,898,618</u>	
Year ended 31 December			
Profit for the year	3,121,865	55,051,108	
Other comprehensive income	36,986	209,786	
Total comprehensive income	<u>3,158,851</u>	<u>55,260,894</u>	
Included in comprehensive income is			
Revenue	<u>119,970,871</u>	<u>278,757,437</u>	
	Innity Corporation Berhad RM	104 Corporation RM	Total RM
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	8,086,319	54,459,202	62,545,521
Goodwill	4,946,718	47,868,950	52,815,668
Disposal	-	(1,725,808)	(1,725,808)
Effects of exchange rate fluctuations	-	20,293,114	20,293,114
Carrying amount in the statement of financial position	<u>13,033,037</u>	<u>120,895,458</u>	<u>133,928,495</u>
Group's share of results for the year ended 31 December			
Group's share of profit	654,531	12,655,369	13,309,900
Group's share of comprehensive income	7,765	48,226	55,991
	<u>662,296</u>	<u>12,703,595</u>	<u>13,365,891</u>
Other information			
Dividend received by the Group	-	8,909,246	

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information (continued)

2020	Innity Corporation Berhad RM	104 Corporation RM	
As at 31 December			
Non-current assets	10,600,172	46,270,081	
Current assets	65,817,113	333,755,851	
Non-current liabilities	(2,341,584)	(8,200,335)	
Current liabilities	(37,100,151)	(162,224,920)	
Non-controlling interest	(1,730,089)	(807,807)	
Net assets	35,245,461	208,792,870	
Year ended 31 December			
Profit for the year	(329,073)	36,933,923	
Other comprehensive income	(57,573)	(463,320)	
Total comprehensive income	(386,646)	36,470,603	
Included in comprehensive income is			
Revenue	103,031,725	233,730,783	
	Innity Corporation Berhad RM	104 Corporation RM	Total RM
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	7,411,416	47,998,140	55,409,556
Goodwill	4,946,718	47,868,950	52,815,668
Effects of exchange rate fluctuations	-	16,866,240	16,866,240
Carrying amount in the statement of financial position	12,358,134	112,733,330	125,091,464
Group's share of results for the year ended 31 December			
Group's share of profit	(69,197)	8,490,517	8,421,320
Group's share of comprehensive income	(12,106)	(106,510)	(118,616)
	(81,303)	8,384,007	8,302,704
Other information			
Dividend received by the Group	-	9,365,733	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. OTHER INVESTMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current				
Fair value through other comprehensive income	105,450,305	50,215,792	49,071,014	33,711,641
Current				
Fair value through profit or loss	-	44,242,390	-	44,242,390
	<u>105,450,305</u>	<u>94,458,182</u>	<u>49,071,014</u>	<u>77,954,031</u>

8.1 Equity investments designated at fair value through other comprehensive income

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

	Group		Company	
	Fair value at 31 December RM	Dividend income recognised during the year RM	Fair value at 31 December RM	Dividend income recognised during the year RM
2021				
Quoted investments	95,439,296	3,461,162	43,204,699	2,493,699
Unquoted investments	10,011,009	-	5,866,315	-
	<u>105,450,305</u>	<u>3,461,162</u>	<u>49,071,014</u>	<u>2,493,699</u>
2020				
Quoted investments	45,577,752	1,997,163	29,073,601	1,983,531
Unquoted investments	4,638,040	-	4,638,040	-
	<u>50,215,792</u>	<u>1,997,163</u>	<u>33,711,641</u>	<u>1,983,531</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Trade					
Trade receivables		26,316	42,250	-	-
Non-trade					
Amount due from subsidiaries	9.1	-	-	6,397,506	6,140,634
Less: Impairment losses		-	-	(6,397,506)	(6,140,634)
		-	-	-	-
Other receivables		157,367	572,148	160,265	550,160
		157,367	572,148	160,265	550,160
		183,683	614,398	160,265	550,160

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

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deposits with licensed banks	-	1,000	-	-
Cash and bank balances	68,357,578	55,430,594	61,566,223	50,681,502
	68,357,578	55,431,594	61,566,223	50,681,502

11. CAPITAL AND RESERVES

Share capital	Group and Company			
	Number of shares 2021	Amount 2021 RM	Number of shares 2020	Amount 2020 RM
Ordinary shares, issued and fully paid:				
At 1 January	134,119,900	196,619,727	135,612,700	196,619,727
- Cancellation of treasury shares	(2,090,200)	-	(1,492,800)	-
At 31 December	132,029,700	196,619,727	134,119,900	196,619,727

11. CAPITAL AND RESERVES (CONTINUED)

Ordinary shares

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

Capital reserve

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

Translation reserve

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

Fair value reserve

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

Revaluation reserve

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

Treasury shares

During the financial year, the Company bought back from the open market, 2,090,200 (2020: 1,471,400) of its issued ordinary shares ("JcbNext Shares") listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM1.31 (2020: RM1.37) per ordinary share. The total consideration paid for the share buy-back of JcbNext Shares by the Company during the financial year was RM2,729,988 (2020: RM2,009,322) and was financed by internally generated funds. On 28 December 2021, the Company cancelled 2,090,200 treasury shares being JcbNext Shares bought back during the current and preceding financial years in accordance with Section 127 Subsection 4(a) of the Companies Act 2016. At 31 December 2021, the Group held NIL (2020: NIL) of the Company's own shares.

12. BORROWINGS

	Group	
	2021	2020
	RM	RM
Non-current		
Unsecured term loan	181,500	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. DEFERRED TAX LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Assets		Liabilities		Net	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Property and equipment	-	-	(2,490)	(1,589)	(2,490)	(1,589)
Investment properties	-	-	(369,000)	(369,000)	(369,000)	(369,000)
Provisions	255,044	245,638	-	-	255,044	245,638
Tax assets/(liabilities)	255,044	245,638	(371,490)	(370,589)	(116,446)	(124,951)
Set off of tax	(255,044)	(245,638)	255,044	245,638	-	-
Net tax liabilities	-	-	(116,446)	(124,951)	(116,446)	(124,951)

Unrecognised deferred tax assets

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

	Group	
	2021 RM	2020 RM
Deductible temporary difference	17,000	17,000
Unutilised tax losses	8,502,000	13,175,000
Unabsorbed capital allowances	22,000	22,000
	<u>8,541,000</u>	<u>13,214,000</u>

The abovementioned deferred tax assets do not expire under the current tax legislation except for the unutilised tax losses of RM2,336,000. Pursuant to the Finance Act 2021, the tax loss carry-forwards can only be carried forward up to 10 consecutive Years of Assessment.

14. OTHER PAYABLES

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Non-trade					
Deferred income	14.1	100,887	100,887	101,237	101,237
Other payables and accrued expenses		1,436,907	1,493,455	1,309,302	1,278,910
		<u>1,537,794</u>	<u>1,594,342</u>	<u>1,410,539</u>	<u>1,380,147</u>

14.1 Deferred income comprises rental income received in advance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contracts with customer				
- Online advertising	-	17,236	-	-
- Contract staffing	315,624	356,864	-	-
	<u>315,624</u>	<u>374,100</u>	<u>-</u>	<u>-</u>
Other revenue				
- Rental income from investment properties	1,222,644	1,093,893	1,226,844	1,098,093
- Dividends from other investments - quoted	3,461,162	1,997,163	2,493,699	1,983,531
- Dividends from an associate - quoted	-	-	8,909,246	9,365,733
- Investment distribution income	603,442	996,699	603,442	996,699
- Interest income	751,123	1,559,596	750,725	1,522,345
	<u>6,353,995</u>	<u>6,021,451</u>	<u>13,983,956</u>	<u>14,966,401</u>

15.1 Disaggregation of revenue

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Services				
- Malaysia	-	17,236	-	-
- Japan	315,624	356,864	-	-
	<u>315,624</u>	<u>374,100</u>	<u>-</u>	<u>-</u>

15.2 Nature of services

Online advertising

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

Contract staffing

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors - Fees	285,000	288,000	285,000	288,000
Other key management personnel: - Remuneration	1,292,326	1,663,327	1,292,326	1,227,744
	<u>1,577,326</u>	<u>1,951,327</u>	<u>1,577,326</u>	<u>1,515,744</u>

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

17. STAFF COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Staff costs (including key management personnel compensation):				
Salaries and other employee benefits	2,150,366	2,717,124	2,002,756	2,137,519
Contributions to state plans	252,483	267,730	237,932	253,317
	<u>2,402,849</u>	<u>2,984,854</u>	<u>2,240,688</u>	<u>2,390,836</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income tax expense on continuing operations	1,541,148	1,493,790	1,461,430	1,484,104
Current tax expense				
Malaysia - current year	361,542	415,099	361,542	415,099
- prior year	(6,002)	(21,059)	(6,002)	(21,059)
Overseas - current year	1,194,113	1,181,107	1,114,395	1,171,421
Total current tax recognised in profit or loss	1,549,653	1,575,147	1,469,935	1,565,461
Deferred tax expense				
Recognition of temporary difference	(13,190)	(80,000)	(13,190)	(80,000)
Under/(Over) provision in prior year	4,685	(1,357)	4,685	(1,357)
Total tax expense	1,541,148	1,493,790	1,461,430	1,484,104
Reconciliation of tax expense				
Profit for the year	16,739,493	6,390,025	12,048,535	8,146,097
Total tax expense	1,541,148	1,493,790	1,461,430	1,484,104
Share of profit of equity-accounted associates, and net of tax	(13,309,900)	(8,421,320)	-	-
Adjusted profit/(loss) before tax	4,970,741	(537,505)	13,509,965	9,630,201
Tax calculated using Malaysian tax rate of 24% (2020: 24%)	1,192,978	(129,001)	3,242,392	2,311,248
Effect of tax rates in foreign jurisdictions*	(35,353)	44,180	-	-
Effect of deferred tax assets (recognised)/not recognised	(116,574)	109,647	-	-
Non-taxable income	(1,589,850)	(784,339)	(3,791,243)	(3,032,035)
Non-deductible expenses	908,693	1,103,372	897,203	1,055,886
Taxes arising from foreign jurisdictions	1,182,571	1,172,347	1,114,395	1,171,421
	1,542,465	1,516,206	1,462,747	1,506,520
Over provided in prior year	(1,317)	(22,416)	(1,317)	(22,416)
Tax expense	1,541,148	1,493,790	1,461,430	1,484,104

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. PROFIT FOR THE YEAR

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Profit for the year is arrived at after charging/ (crediting):					
Auditors' remuneration					
- Audit fees					
KPMG PLT		190,000	180,000	180,000	170,000
Other auditors		15,464	15,372	-	-
- Non-audit fees					
KPMG PLT		8,000	8,000	8,000	8,000
Overseas affiliates of KPMG PLT		38,794	38,203	38,794	38,203
Material expenses/(income)					
Depreciation of property and equipment	3	45,557	162,270	40,315	157,005
Depreciation of right-of-use assets	4	118,167	119,224	-	-
Gain on disposal of investment in an associate		1,588,988	-	1,777,656	-
Impairment loss on amounts due from subsidiaries		-	-	256,872	66,446
Property and equipment written off	3	2	13	2	6
Net realised foreign exchange gain		(1,075,752)	(139,187)	(1,039,481)	(73,284)
Net unrealised foreign exchange (gain)/loss		(775,516)	380,367	(973,321)	445,270
Gain on changes of interest in an associate		12,608	-	-	-
Expenses arising from leases					
Expenses relating to leases of low value assets	a	2,160	2,520	2,160	2,520

Note a

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per share at 31 December 2021 was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2021 RM	2020 RM
Profit for the year attributable to owners of the Company	16,797,106	6,450,450
Issued ordinary shares at 1 January	134,119,900	135,591,300
Effect of treasury shares held	(1,636,347)	(1,107,392)
Weighted average number of ordinary shares at 31 December	132,483,553	134,483,908
Basic earnings per ordinary share (sen)	12.68	4.80

Diluted earnings per ordinary share

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

21. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2021			
Final 2020 single tier	3.0 per share	3,965,140	21 July 2021
2020			
Final 2019 single tier	4.0 per share	5,374,878	13 August 2020

The Directors recommend the payment of a final single tier dividend of 3.5 sen per ordinary share amounting to RM4,621,040 in respect of the financial year ended 31 December 2021. This is computed based on the outstanding issued and paid-up share capital as at 31 December 2021, and subject to the approval of shareholders at the forthcoming Annual General Meeting. The proposed final dividend has not been accounted for in the financial statements.

22. OPERATING SEGMENTS

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

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

Segment profit

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

Segment assets

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

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

Segment liabilities

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

Segment capital expenditure

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

22. OPERATING SEGMENTS (CONTINUED)

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

22. OPERATING SEGMENTS (CONTINUED)

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

23. FINANCIAL INSTRUMENTS

23.1 Categories of financial instruments

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

- (a) Fair value through profit or loss (“FVTPL”)
 - Mandatorily required by MFRS 9
- (b) Amortised cost (“AC”)
- (c) Fair value through other comprehensive income (“FVOCI”)
 - Equity instrument designated upon initial recognition (“EIDUIR”)

	Carrying amount RM	AC RM	Mandatorily at FVTPL RM	FVOCI - EIDUIR RM
2021				
Financial assets				
Group				
Other investments	105,450,305	-	-	105,450,305
Trade and other receivables	183,683	183,683	-	-
Other assets	84,037	84,037	-	-
Deposit with licensed bank with original maturities more than three months	20,188,216	20,188,216	-	-
Cash and cash equivalents	68,357,578	68,357,578	-	-
	194,263,819	88,813,514	-	105,450,305
Company				
Other investments	49,071,014	-	-	49,071,014
Trade and other receivables	160,265	160,265	-	-
Other assets	58,090	58,090	-	-
Deposit with licensed bank with original maturities more than three months	20,188,216	20,188,216	-	-
Cash and cash equivalents	61,566,223	61,566,223	-	-
	131,043,808	81,972,794	-	49,071,014
2021				
Financial liabilities				
Group				
Borrowings			181,500	181,500
Other payables (excluding deferred income)			1,436,907	1,436,907
			1,618,407	1,618,407
Company				
Other payables (excluding deferred income)			1,309,302	1,309,302

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.1 Categories of financial instruments (continued)

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

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

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net gains/(losses) on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	601,295	992,253	605,417	1,100,314
Equity instruments designated at fair value through other comprehensive income	8,931,548	(4,389,132)	5,410,264	(9,289,816)
Financial assets at amortised cost	2,593,637	1,308,024	2,506,655	1,083,913
	<u>12,126,480</u>	<u>(2,088,855)</u>	<u>8,522,336</u>	<u>(7,105,589)</u>

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

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

Receivables

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk and credit quality

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

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

Concentration of credit risk

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

	Group	
	2021 RM	2020 RM
Others	26,316	42,250

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses

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

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

	Gross- carrying amount RM	Loss allowances RM	Net balance RM
Group 2021			
Not past due	26,316	-	26,316
	<hr/>		
2020			
Not past due	42,250	-	42,250
	<hr/>		

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.

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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.4 Credit risk (continued)

Inter-company balances (continued)

Recognition and measurement of impairment loss

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

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

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

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances as at 31 December 2021.

Company	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2021			
Credit impaired	6,397,506	(6,397,506)	-
<hr/>			
2020			
Credit impaired	6,140,634	(6,140,634)	-
<hr/>			

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

Company	Lifetime ECL RM
Balance at 1 January 2020	6,074,188
Net remeasurement of loss allowance	66,446
	<hr/>
Balance at 31 December 2020/1 January 2021	6,140,634
Net remeasurement of loss allowance	256,872
	<hr/>
Balance at 31 December 2021	6,397,506
	<hr/>

Cash and cash equivalents

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.5 Liquidity risk

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

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

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

Maturity analysis

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

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Within 1 year RM	1-2 years RM	2-5 years RM	More than 5 years
2021							
Group							
Borrowings	181,500	0.43 - 1.33	181,500	-	8,422	41,818	131,260
Lease liabilities	33,956	10.88	38,186	38,186	-	-	-
Other payables	1,436,907	-	1,436,907	1,436,907	-	-	-
	<u>1,652,363</u>		<u>1,656,593</u>	<u>1,475,093</u>	<u>8,422</u>	<u>69,696</u>	<u>103,382</u>
Company							
Other payables	<u>1,309,302</u>	-	<u>1,309,302</u>	<u>1,309,302</u>	-	-	-

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.5 Liquidity risk (continued)

Maturity analysis (continued)

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

23.6 Market risk

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

23.6.1 Currency risk

The Group is exposed to foreign currency risk on cash that are held in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD"), Australian Dollar ("AUD") and New Taiwan Dollar ("TWD"). 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:

23. FINANCIAL INSTRUMENTS (CONTINUED)**23.6 Market risk (continued)****23.6.1 Currency risk (continued)***Exposure to foreign currency risk (continued)*

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other investments held in:				
USD	10,011,010	4,638,040	5,866,315	4,638,040
HKD	54,848,368	27,040,792	25,571,191	23,279,929
AUD	18,480,143	12,743,288	-	-
	<u>83,339,521</u>	<u>44,422,120</u>	<u>31,437,506</u>	<u>27,917,969</u>
Cash and cash equivalents and deposits with licensed banks with original maturities more than 3 months held in:				
USD	852,290	14,727,696	848,126	14,723,683
HKD	4,793,651	538,285	1,236,422	13,825
SGD	17,521,523	30,196,694	17,521,523	30,196,694
AUD	26,593	-	-	-
TWD	453,893	-	453,893	-
	<u>23,647,950</u>	<u>45,462,675</u>	<u>20,059,964</u>	<u>44,934,202</u>
Exposure in the statements of financial position	<u>106,987,471</u>	<u>89,884,795</u>	<u>51,497,470</u>	<u>72,852,171</u>

Currency risk sensitivity analysis

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

A 10% (2020: 7.5%) strengthening of the RM against the USD, HKD, SGD, AUD and TWD 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 Market risk (continued)

23.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

	2021		2020	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
<i>USD</i>	(1,001,101)	(85,229)	(347,853)	(1,104,577)
<i>HKD</i>	(5,484,837)	(479,365)	(2,028,059)	(40,371)
<i>SGD</i>	-	(1,752,152)	-	(2,264,752)
<i>AUD</i>	(1,848,014)	(2,659)	(955,747)	-
<i>TWD</i>	-	(45,389)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
<i>USD</i>	(586,632)	(84,813)	(347,853)	(1,104,276)
<i>HKD</i>	(2,557,119)	(123,642)	(1,745,995)	(1,037)
<i>SGD</i>	-	(1,752,152)	-	(2,264,752)
<i>TWD</i>	-	(45,389)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

A 10% (2020: 7.5%) weakening of RM against the USD, HKD, SGD, AUD and TWD at the end of the reporting period would have had equal but opposite effect on the USD, HKD, SGD, AUD and TWD to the amounts shown above, on the basis that all other variables remained constant.

23.6.2 Interest rate risk

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

Deposits are placed with licensed banks with varying maturity dates.

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:

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 Market risk (continued)

23.6.2 Interest rate risk (continued)

Exposure to interest rate risk (continued)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets				
Deposits with licensed banks with original maturities:				
- more than 3 months	20,188,216	31,207,555	20,188,216	31,207,555
- 3 months or less	-	1,000	-	-
Financial liabilities				
Borrowings	(181,500)	-	-	-
	<u>20,006,716</u>	<u>31,208,555</u>	<u>20,188,216</u>	<u>31,207,555</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

23.6.3 Other price risk

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

Risk management objectives, policies and processes for managing the risk

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

Equity price risk sensitivity analysis

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

A 10% (2020: 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:

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6 Market risk (continued)

23.6.3 Other price risk (continued)

Equity price risk sensitivity analysis (continued)

	2021		2020	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Group				
Long term other investments	10,545,031	-	5,021,579	-
Short term other investments	-	-	4,424,239	4,424,239
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
Long term other investments	4,907,101	-	3,371,164	-
Short term other investments	-	-	4,424,239	4,424,239
	<hr/>	<hr/>	<hr/>	<hr/>

A 10% (2020: 10%) weakening in the abovementioned stock exchanges and financial markets would have had equal but opposite effect on equity and profit or loss respectively.

23.7 Fair value information

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2021 Group										
Financial assets										
Investments in quoted instruments	95,439,296	-	-	95,439,296	-	-	-	-	95,439,296	95,439,296
Investments in unquoted instruments	-	-	10,011,009	10,011,009	-	-	-	-	10,011,009	10,011,009
	<u>95,439,296</u>	<u>-</u>	<u>10,011,009</u>	<u>105,450,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,450,305</u>	<u>105,450,305</u>
Financial liabilities										
Borrowings	-	-	-	-	-	-	(181,500)	(181,500)	(181,500)	(181,500)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,500)</u>	<u>(181,500)</u>	<u>(181,500)</u>	<u>(181,500)</u>
Company										
Financial assets										
Investments in quoted instruments	43,204,699	-	-	43,204,699	-	-	-	-	43,204,699	43,204,699
Investments in unquoted instruments	-	-	5,866,315	5,866,315	-	-	-	-	5,866,315	5,866,315
	<u>43,204,699</u>	<u>-</u>	<u>5,866,315</u>	<u>49,071,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,071,014</u>	<u>49,071,014</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2020 Group										
Financial assets										
Investments in quoted instruments	89,820,142	-	-	89,820,142	-	-	-	-	89,820,142	89,820,142
Investments in unquoted instruments	-	-	4,638,040	4,638,040	-	-	-	-	4,638,040	4,638,040
	89,820,142	-	4,638,040	94,458,182	-	-	-	-	94,458,182	94,458,182
Company										
Financial assets										
Investments in quoted instruments	73,315,991	-	-	73,315,991	-	-	-	-	73,315,991	73,315,991
Investments in unquoted instruments	-	-	4,638,040	4,638,040	-	-	-	-	4,638,040	4,638,040
	73,315,991	-	4,638,040	77,954,031	-	-	-	-	77,954,031	77,954,031

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7 Fair value information (continued)

23.7.1 Fair value hierarchy

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2020: no transfer in either direction).

Level 3 fair value

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

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

24. CAPITAL MANAGEMENT

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

25. CAPITAL COMMITMENTS

	Group and Company	
	2021	2020
	RM	RM
Investment in unquoted shares		
Contracted but not provided for:	325,803	436,297

26. RELATED PARTIES

Identity of related parties

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

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

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

Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 16), are as follows:

	Transactions value year ended 31 December	
	2021 RM	2020 RM
Company		
Subsidiaries		
Rental income	(4,200)	(4,200)
	<hr/>	<hr/>

Balances with subsidiaries are as disclosed in Note 9.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 57 to 120 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 2021 and of their financial performance and cash flows for the financial year then ended.

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

DATUK ALI BIN ABDUL KADIR

Director

LIM CHAO LI

Director

Kuala Lumpur

Date: 26 April 2022

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 57 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Gregory Charles Poarch, NRIC: 651226-91-5027, at Kuala Lumpur in the Federal Territory on 26 April 2022.

GREGORY CHARLES POARCH

Before me:

Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JcbNext Berhad, which comprise the statement of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 120.

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 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Investment in an associate

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

The key audit matter

The Group owns 22.66% 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 2021 was RM12,655,369 and with carrying amounts of RM120,895,458. This associate has contributed approximately 35.05% to the Group's net assets which are significant in the context of the consolidated financial statements.

Key Audit Matters (continued)

Investment in an associate (continued)

The key audit matter (continued)

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

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

How the matter was addressed in our audit

We have performed the following audit procedures, among others:

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matters

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

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

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

Petaling Jaya

Date: 26 April 2022

LIST OF PROPERTIES

Location	Description	Existing Use	Age of Building (Years)	Built-Up Area (Sq m)	Tenure	Carrying Value as at 31.12.2021 (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	31	3,917	Freehold	18,000,000	6.12.2005
19, Jalan Sasa 3, Taman Gaya, 81800 Ulu Tiram, Johor Darul Takzim	2-storey shop office	Office	14	357	Freehold	388,000	19.5.2006

ANALYSIS OF SHAREHOLDINGS

as at 1 April 2022

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

DISTRIBUTION OF SHAREHOLDINGS *

Size of Shareholdings	No. of Shareholders		No. of Shares	
		%		%
Less than 100 shares	280	17.08	11,978	0.01
100 – 1,000 shares	533	32.52	297,897	0.23
1,001 – 10,000 shares	567	34.60	2,341,444	1.77
10,001 – 100,000 shares	195	11.90	6,710,180	5.08
100,001 to less than 5% of issued shares	60	3.66	33,028,661	25.02
5% and above of issued shares	4	0.24	89,639,540	67.89
Total	1,639	100.00	132,029,700	100.00

* Pursuant to the Bursa Malaysia Depository Disclosure Framework, reports on the list of shareholders and transactions are based on the settlement cycle of 2 trading days after the transaction date. Hence, the distribution of shareholdings record transactions made up to 30 March 2022 which was subsequently captured in the Record of Depository ("ROD") dated 01 April 2022.

SUBSTANTIAL SHAREHOLDERS

(As per register of substantial shareholders)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Chang Mun Kee	70,229,494	53.19	7,435,900*	5.63
Wong Siew Hui	12,200,626	9.24	-	-

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

DIRECTORS' SHAREHOLDINGS

(As per register of directors' shareholdings)

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

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

30 LARGEST SHAREHOLDERS *

Name	No. of Shares Held	%
1. AMSEC Nominees (Tempatan) Sdn Bhd <i>Ambank (M) Berhad for Chang Mun Kee (5032-1101)</i>	57,082,864	43.24
2. HSBC Nominees (Tempatan) Sdn Bhd <i>BJB SG for Chang Mun Kee</i>	12,920,150	9.79
3. Wong Siew Hui	12,200,626	9.24
4. HSBC Nominees (Asing) Sdn Bhd <i>EXEMPT AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)</i>	7,435,900	5.63
5. Suresh A/L Thirugnanam	4,226,164	3.20
6. CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Exempt AN for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	3,421,870	2.59
7. HSBC Nominees (Asing) Sdn Bhd <i>Exempt AN for Credit Suisse (SG BR-TST-ASING)</i>	2,980,300	2.26
8. UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)</i>	2,219,800	1.68
9. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Kuan Gin</i>	2,129,900	1.61
10. CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt AN for DBS Bank Ltd (SFS)</i>	1,386,000	1.05
11. HSBC Nominees (Tempatan) Sdn Bhd <i>Exempt AN for Credit Suisse (SG BR-TST-TEMP)</i>	1,385,800	1.05
12. Yeoh Liew Se	1,000,000	0.76
13. IFAST Nominees (Tempatan) Sdn Bhd <i>Lee Sau Eng</i>	915,600	0.69
14. Lim Gaik Bway @ Lim Chiew Ah	694,500	0.53
15. Ng Kay Ian	651,558	0.49
16. JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Gaik Bway @ Lim Chiew Ah (Margin)</i>	600,000	0.45
17. AmBank (M) Berhad <i>Pledged Securities Account for Ali bin Abdul Kadir (Smart)</i>	592,000	0.45
18. Yew Kok Onn	513,100	0.39
19. TMF Trustees Malaysia Berhad <i>JPOS Trust</i>	506,000	0.38
20. Lim Chao Li	500,000	0.38
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ANALYSIS OF SHAREHOLDINGS (CONTINUED)

30 LARGEST SHAREHOLDERS * (CONTINUED)

Name	No. of Shares Held	%
21. Lim Chao Li	500,000	0.38
22. Yeoh Phaik Seok	494,800	0.38
23. Tay Kok Choon	407,258	0.31
24. Affin Hwang Nominees (Asing) Sdn Bhd <i>DBS Vickers Secs (S) Pte Ltd for GF Capital Global Limited</i>	364,320	0.28
25. Wong You Fatt	333,200	0.25
26. Leong Wai Kong	330,000	0.25
27. Chew Siew Mee	283,000	0.21
28. Ling Hua Wei	281,831	0.21
29. Tan Beng Kheng	281,582	0.21
30. Chook Yuh Yng	260,300	0.20

* Pursuant to the Bursa Malaysia Depository Disclosure Framework, reports on the list of shareholders and transactions are based on the settlement cycle of 2 trading days after the transaction date. Hence, the distribution of shareholdings record transactions made up to 30 March 2022 which was subsequently captured in the ROD dated 01 April 2022.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth (“18th”) Annual General Meeting (“AGM”) of JCBNEXT BERHAD (“JcbNext” or “the Company”) will be conducted on a virtual basis via **Remote Participation and Electronic Voting** (“RPEV”) facilities for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

- Meeting Date : Wednesday, 22 June 2022
Time : 10.30 a.m.
Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC - D6A357657)
Broadcast Venue : 12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Mode of Communication : 1) Submit questions to the Board of Directors (“Board”) prior to the 18th AGM by emailing to ir@jcbnext.com no later than 5.00 p.m., Wednesday, 15 June 2022.
2) Post questions to the Board via submission of typed text at <https://meeting.boardroomlimited.my> during live streaming of 18th AGM.

AGENDA

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.

(Please refer to Note 1 of the Explanatory Notes)
- To approve the payment of Final Dividend of 3.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2021.

Ordinary Resolution 1
- To approve the Directors’ Fees up to an aggregate amount of RM291,000.00 for the financial year ending 31 December 2022 and Benefits Payable to Non-Executive Directors up to an aggregate amount of RM43,500.00 for the period from the 18th AGM until the next AGM of the Company in year 2023 and the payment thereof.

**Ordinary Resolution 2
*(Please refer to Note 2 of the Explanatory Notes)***
- To re-elect Mr Teo Koon Hong who is retiring under Clause 96 of the Constitution of the Company.

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

- Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 (“the Act”) for the Directors to allot and issue shares**

“THAT pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.”

Ordinary Resolution 5
*(Please refer to Note 4
of the Explanatory Notes)*

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

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

- (i) the maximum aggregate number of ordinary shares in the Company (“**JcbNext Shares**”) which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company, subject to the provisions of the Listing Requirements;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the JcbNext Shares under the Proposed Share Buy-Back shall not exceed the retained profits of the Company for the time being. Based on the audited financial statements of the Company for the financial year ended 31 December 2021, the audited retained profits of the Company stood at approximately RM86.69 million;
- (iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
 - a. the conclusion of the next AGM of the Company, following the general meeting at which this resolution was passed at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority;
 - b. the expiration of the period within which the next AGM after that date is required by law to be held; or
 - c. revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

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

NOTICE OF EIGHTEENTH AGM (CONTINUED)

upon the purchase(s) of JcbNext Shares by the Company, the Directors of the Company be and are hereby authorised to decide at their absolute discretion to either cancel any portion or all of JcbNext Shares so purchased or to retain JcbNext Shares so purchased as treasury shares, and to deal with such treasury shares in the manner as set out in Section 127 of the Act and the Listing Requirements and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the purchase(s) of the JcbNext Shares by the Company with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the JcbNext Shares.”

Ordinary Resolution 6
(Please refer to Note 5
of the Explanatory Notes)

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 18th AGM to be held on Wednesday, 22 June 2022, a Final Dividend of 3.5 sen per ordinary share under single-tier system in respect of the financial year ended 31 December 2021 will be paid to shareholders on 27 July 2022. The entitlement date for the said dividend shall be on 6 July 2022.

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

- (a) Shares transferred into the Depositor’s securities account before 4.30 p.m. on 6 July 2022 in respect of the transfers; and
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAI YIT CHAN

(SSM PC No. 202008001023)

(MAICSA 7009143)

TAN AI NING

(SSM PC No. 202008000067)

(MAICSA 7015852)

Company Secretaries

Selangor Darul Ehsan

Date: 29 April 2022

NOTES:

1. The 18th AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via RPEV facilities. Please follow the procedures provided in the Administrative Details for the 18th AGM to register, participate and vote (collectively, “**participate**”) remotely via the RPEV facilities. The Administrative Details on the Conduct of a Virtual 18th General Meeting is available for download at https://www.jcbnext.com/?page_id=183.
2. The Broadcast Venue of the 18th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Clause 64 of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to participate and vote at the general meeting. The Broadcast Venue of the 18th AGM is to inform members where the electronic 18th AGM production and streaming would be conducted from.
3. Member(s)/proxy(ies)/corporate representative(s) **WILL NOT BE ALLOWED** to be physically present nor will they be admitted at the Broadcast Venue on the day of the 18th AGM. Therefore, members are strongly advised to participate and vote remotely at the 18th AGM through live streaming and online remote voting using the RPEV facilities provided by the Company’s poll administrator, namely Boardroom Share Registrars Sdn. Bhd.. **Please read these Notes carefully and follow the Procedures in the Administrative Details for the AGM in order to participate remotely.**
4. In respect of deposited securities, only members whose names appear in the Company’s Record of Depositors as at **15 June 2022** shall be eligible to participate or appoint proxy(ies) to participate and vote on his/her behalf.
5. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
6. Where a member appoints two (2) proxies, the appointments shall be invalid unless he (she) specifies the proportion of his (her) holdings to be represented by each proxy.
7. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”) as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
8. The Proxy Form shall be signed by the appointer of his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its Common Seal or by its duly authorised attorney or officer.
9. The instrument appointing a proxy by a member who is entitled to participate at the 18th AGM, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
10. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 18th AGM or at any adjournment thereof, as follows:-
 - (i) **In hard copy form**
The original instrument appointing a proxy (“**Proxy Form**”) must be deposited at the Company’s Share Registrar’s Office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) **By electronic means**
The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Details for the AGM in order to deposit the Proxy Form electronically.

11. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic 18th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
12. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 18th AGM will be put to vote by way of poll.

EXPLANATORY NOTES

1. To receive the Audited Financial Statements

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

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

Following market research on the Directors' Fee and the increasing fiduciary duties and time commitment of the Directors, the Remuneration Committee had proposed to increase the Directors' Fee of RM10,000.00 per director per annum and recommend the Directors' Fee up to an aggregate amount of RM291,000.00 for the financial year ending 31 December 2022. Based on the recommendation from the Remuneration Committee, the Board approved the proposed revised Directors' Fee for the financial year ending 31 December 2022 to be tabled to the shareholders for approval at the forthcoming AGM of the Company. The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. Other than the Directors' Fees from the Company, the Non-Executive Directors do not receive any Directors' Fees from any of the subsidiaries within the JcbNext Group.

The amount of Directors' benefits payable to Non-Executive Directors up to an aggregate amount of RM43,500.00 comprises meeting allowances from this 18th AGM until the conclusion of the next AGM of the Company in year 2023 pursuant to the Act which shareholders' approval will be sought at this 18th AGM in accordance with Section 230(1) of the Act. In determining the estimated total amount of the Directors' Benefits, the Board has considered the number of scheduled and special meetings (if any) for the Board and Board Committees as well as the number of Non-Executive Directors involved in the meetings. Other than the benefits payable from the Company, the Non-Executive Directors do not receive any benefits payable from any of the subsidiaries within the JcbNext Group.

In the event that the proposed Directors' Fees and Benefits Payable during the above period exceed the estimated amount sought at the 18th AGM, approval will be sought at the next AGM for additional Directors' Fees and Benefits Payable to meet the shortfall, prior to the payment is made.

3. Ordinary Resolution 3 – Re-election of Director

The performance of Director who is recommended for re-election has been assessed through the Board annual evaluation. The Nomination Committee and the Board are satisfied with the performance and effectiveness of Mr Teo Koon Hong who is due for retirement as Director, and being eligible, has offered himself for re-election at the 18th AGM.

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

The profile of the Director who is standing for re-election under Ordinary Resolution 3 is set out in the Board's profile of the Annual Report 2021.

4. Ordinary Resolution 5 – Proposed Renewal of Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares

The Company had, during its Seventeenth AGM held on 16 June 2021, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act.

As at the date of this notice, the Company has not issued any shares pursuant to this mandate obtained.

Ordinary Resolution 5 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company. 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.

5. Ordinary Resolution 6 - Proposed Share Buy-Back

The proposed Ordinary Resolution 6 under item 7 of the Agenda, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of JcbNext Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 18th AGM is required by law to be held.

Further information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 29 April 2022 which was despatched together with this Annual Report.

Personal data privacy:

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

ADMINISTRATIVE DETAILS OF THE EIGHTEENTH (“18TH”) ANNUAL GENERAL MEETING

- Meeting Date : Wednesday, 22 June 2022
Time : 10.30 a.m.
Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC - D6A357657)
Broadcast Venue : 12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Mode of Communication : 1) Submit questions to the Board of Directors (“**Board**”) prior to the 18th Annual General Meeting (“**AGM**”) by emailing to ir@jcbnext.com no later than 5.00 p.m., Wednesday, 15 June 2022.
2) Post questions to the Board via submission of typed text at <https://meeting.boardroomlimited.my> during live streaming of 18th AGM.

Dear Valued Shareholders,

The Company will conduct its forthcoming 18th AGM on a virtual basis via remote participation and electronic voting (“**RPEV**”) facilities (collectively referred hereinafter as “**Virtual AGM**”) in accordance with Section 327 of the Companies Act 2016 (“**the Act**”) and Clause 64 of the Constitution of the Company.

In line with the Malaysian Code on Corporate Governance Practice 13.3, conducting a Virtual AGM would promote greater shareholder participation as it facilitates electronic voting and remote shareholders’ participation. With the RPEV facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board and/or Management of the Company) and vote at the 18th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 18th AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our virtual 18th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

Broadcast Venue

The Broadcast Venue of the 18th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Clause 64 of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to participate and vote at the general meeting. The Broadcast Venue of the 18th AGM is to inform members where the electronic 18th AGM production and streaming would be conducted from.

Member(s)/proxy(ies)/corporate representative(s) **WILL NOT BE ALLOWED to be physically present** nor will they be admitted at the Broadcast Venue on the day of the 18th AGM. Member(s)/proxy(ies)/corporate representative(s) who turn up at the Broadcast Venue would be requested to leave the venue politely.

Digital Copies of AGM Documents

1. As part of our dedicated commitment to sustainable practices, the following documents are available for download from Bursa Malaysia Securities Berhad's website at <http://www.bursamalaysia.com> and JcbNext Berhad's website at https://www.jcbnext.com/?page_id=183:-
 - (a) Annual Report 2021;
 - (b) Corporate Governance Report 2021;
 - (c) Notice of the 18th AGM;
 - (d) Proxy Form;
 - (e) Administrative Details of the 18th AGM; and
 - (f) Statement to Shareholders in relation to Proposed Renewal of Authority for the Company to purchase its own Ordinary Shares of up to Ten Percent (10%) of Total Number of Issued Shares dated 29 April 2022 ("Statement to Shareholders")
2. If you wish to receive a printed black and white copy of the Annual Report 2021, please email your request to ir@jcbnext.com accompanied by your full name, CDS Account Number, full mailing address and telephone number. The Annual Report 2021 will be delivered to you by ordinary post as soon as practicable after the receipt of your request. Alternatively, you may navigate to the website of our Share Registrar to request for a printed copy of the Annual Report 2021 as follows:-

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

No Vouchers/Door Gifts

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

Entitlement to Participate and Vote at the AGM

Only a depositor whose name appears in the Record of Depositors as at 15 June 2022 is entitled to participate and vote at the said meeting or appoint proxies to participate and vote on his/her behalf in respect of the number of shares registered in his/her name at that time.

Form(s) of Proxy

1. Shareholders are encouraged to go online, participate and vote at the 18th AGM using the RPEV facilities. If you wish to personally participate in this 18th AGM, please do not appoint any proxy/ies. You will not be allowed to participate in the meeting together with a proxy appointed by you.
2. If a shareholder is unable to attend the 18th AGM on Wednesday, 22 June 2022, he/she can appoint the Chairman of the meeting or a proxy to participate and vote in his/her stead. Please submit your Proxy Form to the Share Registrar's Office of the Company, Boardroom Share Registrar Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan by **Monday, 20 June 2022 at 10.30 a.m.**
3. You may also submit the Proxy Form via electronic means ("**e-Proxy**") through the Boardroom Share Registrar's smart investor portal at <https://investor.boardroomlimited.com> by logging in and selecting "**Submit eProxy Form**" no later than the aforementioned date and time. For further information, kindly refer to the "Online Registration Procedure" below.

Revocation of Proxy

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our electronic 18th AGM by yourself, please write in to bsr_helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the 18th AGM. On revocation, your proxy(ies) will not be allowed to participate in the 18th AGM. In such event, you should advise your proxy(ies) accordingly.

Corporate Shareholder

Any corporate shareholder who wishes to appoint a representative instead of a proxy to attend the meeting should submit the original certificate of appointment under the seal of the corporation to the office of the Share Registrar at any time before the time appointed for holding the meeting or to the registration staff on the meeting day for the Company's records.

Voting Procedure

1. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 18th AGM will be conducted by-poll. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (“**e-voting**”) and Quantegic Services Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results.
2. During the 18th AGM, the Chairman of the meeting will invite the Poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.
3. Members and proxies are required to use the following methods to vote remotely: -
 - a. Launch Lumi AGM by scanning the QR code given to you in the email along with your remote participation User ID and Password; or
 - b. Access Lumi AGM via the website URL <https://meeting.boardroomlimited.my>.

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




4. During the 18th AGM, the Chairman will invite the Poll Administrator to give a briefing on the e-voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of poll.
5. Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the meeting whether the resolutions put to vote were successfully carried or otherwise.

Online Registration Procedures

1. All shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees shall use the RPEV facilities to participate and vote remotely at the 18th AGM. You will be able to view a live webcast of the meeting, ask questions and submit your votes in real-time whilst the meeting is in progress.
2. Kindly follow the steps below to request your login ID and password and usage of the RPEV facilities:-

Procedure	Action
Before the day of the AGM	
1. Register Online with Boardroom Smart Investor Portal	<i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2 - Submit your request for remote participation]</i> <ol style="list-style-type: none">a. Access website https://investor.boardroomlimited.comb. Click << Register >> to sign up as a user.c. Complete registration and upload a softcopy your MyKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG, PNG or PDF Format.

		<p>d. Please enter a valid email address and wait for Boardroom Share Registrars Sdn. Bhd. (“Boardroom”) email verification.</p> <p>e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.</p>
2.	Submit request for remote participation	<p>Registration for remote access will be opened on Friday, 29 April 2022 at 10.30 a.m. Please note that the closing time to submit your request is on Monday, 20 June 2022 at 10.30 a.m. (48 hours before the commencement of the 18th AGM).</p> <p>Individual Members</p> <p>a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1. above.</p> <p>b. Select “JCBNEXT BERHAD 18TH ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”.</p> <p>c. Click on “Register for RPEV”</p> <p>d. Read and accept the General Terms and Conditions by clicking “Next”.</p> <p>e. Enter your CDS Account Number and thereafter submit your request.</p> <p>Appointment of Proxy – Individual members</p> <p>a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1. above.</p> <p>b. Select “JCBNEXT BERHAD 18TH ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”.</p> <p>c. Click on “Submit eProxy Form”.</p> <p>d. Read and accept the General Terms and Conditions by clicking “Next”</p> <p>e. Enter your CDS Account Number and number of securities held. Select your proxy – either the Chairman of the meeting or an individual named proxy(ies) and enter the required particulars of your proxy(ies).</p> <p>f. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY.</p> <p>g. Review and confirm your proxy appointment.</p> <p>h. Click “Apply”.</p> <p>i. Download or print the eProxy form as acknowledgment.</p> <p>Corporate Shareholders, Authorised Nominee, and Exempt Authorised Nominee</p> <p>a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of shareholder, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case maybe) to submit the request.</p> <p>b. Please provide a copy of corporate representative’s MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.</p>
3.	Email notification	<p>a. You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified.</p> <p>b. Upon verification of your registration against the General Meeting Record of Depositories as at 15 June 2022, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.</p> <p>c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.</p> <p>d. Please note that the closing date and time to submit your request for remote participation User ID and Password is on Monday, 20 June 2022 at 10.30 a.m. (48 hours before the commencement of the 18th AGM).</p>
On the day of the AGM		
4.	Login to Meeting Platform	<p>a. The Meeting Platform will be opened for login one (1) hour before the commencement of the 18th AGM at 9.30 a.m. on Wednesday, 22 June 2022, which can be accessed via one of the following methods:</p>

		<ul style="list-style-type: none"> ➤ Launch Lumi AGM by scanning the QR Code provided in the email notification; or ➤ Access the Lumi AGM webportal via the website at https://meeting.boardroomlimited.my. <p>b. Insert the Meeting ID number and sign in with the user ID and password provided to you via the email notification in Step 3 above.</p>
5.	Participate through Live Streaming	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.]</i></p> <ul style="list-style-type: none"> a. If you would like to view the live webcast, select the broadcast icon.  b. If you would like to ask a question during the 18th AGM, select the messaging icon.  c. Type your message within the chat box, once completed click the send button.
6.	Online Remote Voting	<ul style="list-style-type: none"> a. Once the meeting is opened for voting, the polling icon  will appear with the resolutions and your voting choices. b. To vote, select your voting direction from the options provided. A confirmation message will appear to show your vote has been received. c. To change your vote, simply select another voting direction. d. If you wish to cancel your vote, please press "Cancel".
7.	End of Remote Participation	<ul style="list-style-type: none"> a. Upon the announcement by the Chairman on the closure of the 18th AGM, the live streaming will end. b. You can then log out from the virtual meeting platform.

Pre-Meeting Submission Of Questions

In order to enhance the efficiency of the proceedings of the 18th AGM, the shareholders may submit questions to the Company via e-mail to ir@icbnext.com **not later than Wednesday, 15 June 2022 at 5:00 p.m.** or select the messaging icon in Boardroom Smart Investor Portal to transmit questions via RPEV facilities during live streaming of the 18th AGM. If time permits, the Chairman and the Board will endeavour their best to respond to the questions submitted by the shareholders which are related to the resolutions to be tabled at the 18th AGM. The shareholders are encouraged to submit questions before the 18th AGM as priority will be given to questions submitted before the 18th AGM.

Recording or Photography At The 18th AGM

Strictly no recording or photography of the 18th AGM proceedings is allowed.

Enquiry

If you have any enquiries prior to the 18th AGM, please contact the following during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.) (except on public holidays):-

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

Address : 11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

General Line : 603-7890 4700
Fax Number : 603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

3. Member(s)/proxy(ies)/corporate representative(s) **WILL NOT BE ALLOWED** to be physically present nor will they be admitted at the Broadcast Venue on the day of the 18th AGM. Therefore, members are strongly advised to participate and vote remotely at the 18th AGM through live streaming and online remote voting using the RPEV facilities provided by the Company's poll administrator, namely Boardroom Share Registrars Sdn. Bhd. **Please read these Notes carefully and follow the Procedures in the Administrative Details for the AGM in order to participate remotely.**
4. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at **15 June 2022** shall be eligible to participate or appoint proxy(ies) to participate and vote on his/her behalf.
5. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. The members, proxies or corporate representatives may submit questions before the 18th AGM to the Chairman or the Board electronically by email to ir@icbnext.com no later than Wednesday, 15 June 2022 at 5.00 p.m. or via real time submission of typed texts via RPEV facilities during the live streaming of the 18th AGM as the primary mode of communication.
6. Where a member appoints two (2) proxies, the appointments shall be invalid unless he (she) specifies the proportion of his (her) holdings to be represented by each proxy.
7. Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
8. The Proxy Form shall be signed by the appointer of his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its Common Seal or by its duly authorised attorney or officer.
9. The instrument appointing a proxy by a member who is entitled to participate at the 18th AGM, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
10. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 18th AGM or at any adjournment thereof, as follows:-
 - (i) **In hard copy form**
The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (ii) **By electronic means**
The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Details for the AGM in order to deposit the Proxy Form electronically.
11. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic 18th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
12. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 April 2022.

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STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.
[Registration No. 199601006647 (378993-D)]
GROUND FLOOR OR 11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13
46200 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

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

