www.jcorp.com.my

JOHOR CORPORATION
Level 2, PERSADA JOHOR
Jalan Abdullah Ibrahim
80000 Johor Bahru
Johor, Malaysia
T 607 219 2692
F 607 223 3175
E pdnjohor@jcorp.com.my

JOHOR CORPORATION

Annual Report 2009

JOHOR CORPORATION

40 JCorp 1970 - 2010

Business Jihad

ANNUAL REPORT 2009

CORPORATE MISSION

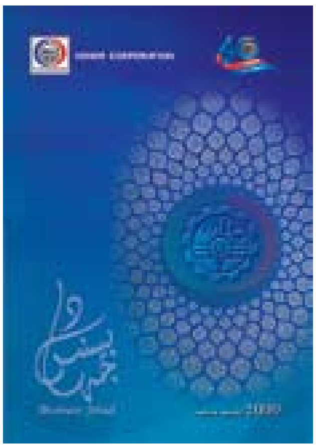
BUSINESS JIHAD

The Jihad of Peace and Prosperity Through Enterprise

OBJECTIVES

- Prospering the Muslim ummah and integrating them into global economic mainstream through business and market driven methods
- Reclaim the middle ground away from extremism, ideological hostility and conflict and to focus on convergent business interests

A COMMUNITY OF ENTERPRISE SERVING A HIGHER CAUSE



COVER RATIONALE

In line with achieving Business Jihad's mission and vision, a jihad towards peace and business prosperity, Johor Corporation's growth is constantly driven through a focused direction and the resilience of fortitude.

Produced through borderless dynamic components envisioned by the geometrical motives around its logo, palm oil activities, foods and quick service restaurants, specialist healthcare, property development, logistics and intrapreneur venture together with other business activities by the intrapreneurs, are the symbolic evidence to its sustainable and promising future.

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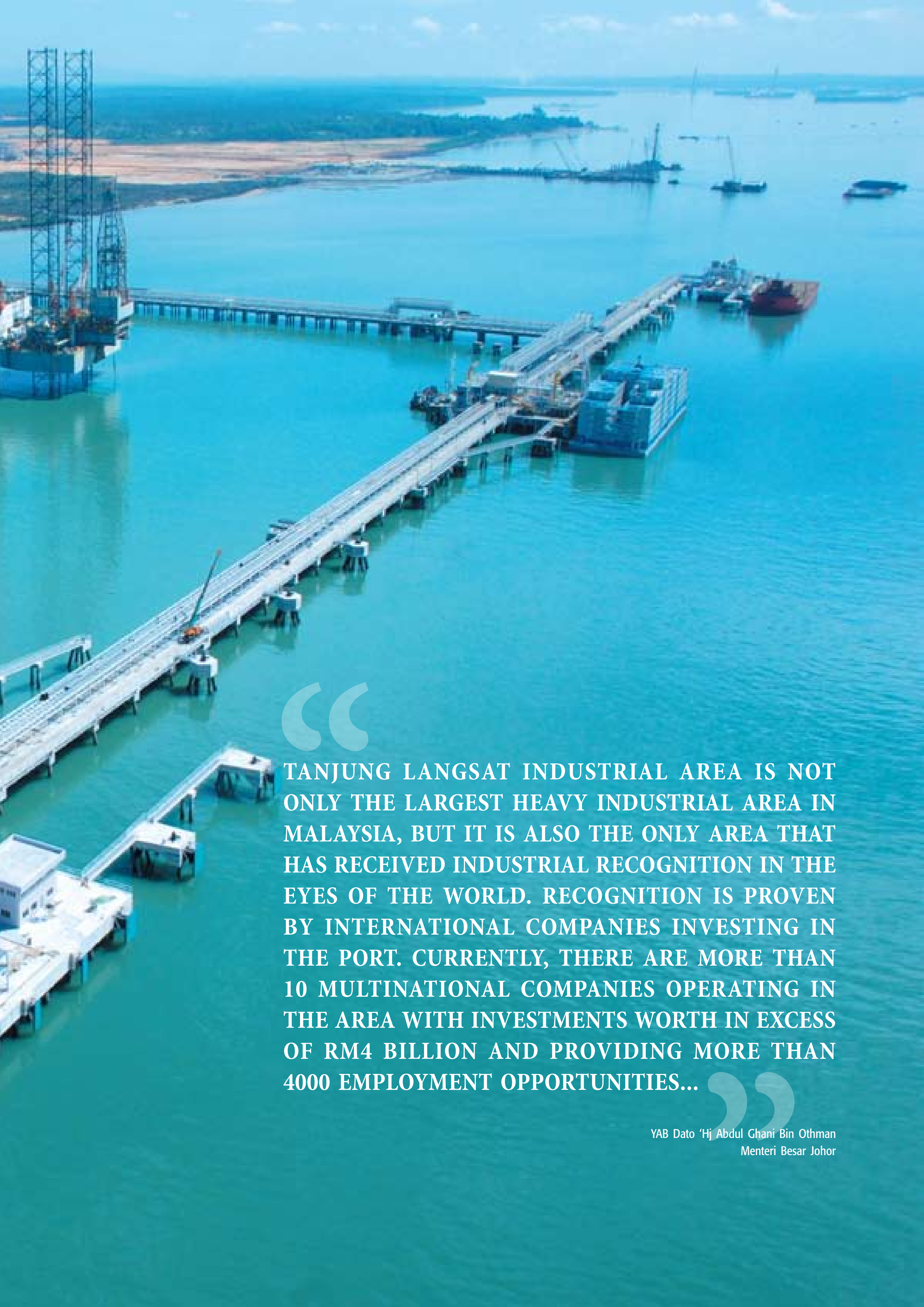


TANJUNG LANGSAT INDUSTRIAL AREA IS NOT ONLY THE LARGEST HEAVY INDUSTRIAL AREA IN MALAYSIA, BUT IT IS ALSO THE ONLY AREA THAT HAS RECEIVED INDUSTRIAL RECOGNITION IN THE EYES OF THE WORLD. RECOGNITION IS PROVEN BY INTERNATIONAL COMPANIES INVESTING IN THE PORT. CURRENTLY, THERE ARE MORE THAN 10 MULTINATIONAL COMPANIES OPERATING IN THE AREA WITH INVESTMENTS WORTH IN EXCESS OF RM4 BILLION AND PROVIDING MORE THAN 4000 EMPLOYMENT OPPORTUNITIES...

YAB Dato 'Hj Abdul Ghani Bin Othman
Menteri Besar Johor

CORPORATE PHILOSOPHY

JCORP IS A MARKET-DRIVEN MULTI-BUSINESS CORPORATE ORGANISATION COMPRISING OF MEMBER ENTERPRISES WHO *RAISON D'ETRE* IS TO CREATE VALUE AND GENERATE WEALTH THROUGH ENTREPRENEURIAL EFFORT.

As a Group, we aspire to become one of Malaysia's leading corporate contributors to national economic growth and prosperity. This is to be achieved principally through growing strategic businesses that can enhance Malaysia's competitive position in the increasingly globalised market, as well as meeting with the continuous expansion in demand for quality products and services. Additionally, through a clearly defined Intrapreneuring Program, we strive to also release entrerpreneurial energies, harness creativity and innovation from among talented individuals, enabling them to establish and build businesses that can similarly create entrepreneurial career opportunities for those involved and to support our corporate growth as well. This Intrapreneuring Program is fully market-driven and is structured on venture capital format.

Collectively, over time, we aspire to build JCorp into a *Community of Enterprises* in more than one sense of the word. In the long run, we also aim to add value to Malaysia's social capital so critical for national cohesion and continued political stability and integrity as a policy. In this effort we are therefore pioneering an institutional corporate concept that combines the pursuit for profits and cashflow and the accumulation of assets and wealth on the one hand, with the realisation of Malaysia's broader national aspirations and equity agenda on the other. Most of all, we believe all these can be achieved through corporate means and strictly business-driven methods.

We are therefore above all:

- A corporate organisation spawning member enterprises that create and add value and are result-oriented, yet people-focused, maximising opportunities for all levels of its people to express their entrepreneurial energy and business creativity.

- An entrepreneurial business organisation that promises a business and corporate career opportunity for talented individuals to rise to his/her highest performance level, to be matched by the pace and scope of business growth of each of its member enterprise.

- A Community of Enterprises that respect the deeper social values that binds the organisation to its roots within the larger Malaysian community. We fully recognise that these values need to be integrated and synthesised into JCorp's corporate life before the powerful motivational driving force inherent within these values can be harnessed to get maximum results from its people.

- A value-driven business entity peopled largely by Malaysians of the Islamic faith that takes upon itself the exciting challenge of successfully integrating the fundamentals of Islamic values into corporate practice. The formidable task before JCorp is to adapt and synthesise these values to ensure business relevance, yet sustain their integrity and meaning. The exercise will expose the Group to the extreme test of maintaining corporate coherence and to ultimately translate all these efforts to measure up in terms of business results and outstanding corporate performance.

- A learning business organisation aspiring to similarly integrate the best management practices, the drive for quality, the thirst for knowledge and mastery over competencies and relevant technology into the day-to-day life and activities of member enterprises. This tremendous challenge therefore demands the deliberate institutionalisation of a dynamic and vibrant corporate culture and infusing elements of change and continuous adaptation into the Group's corporate life.

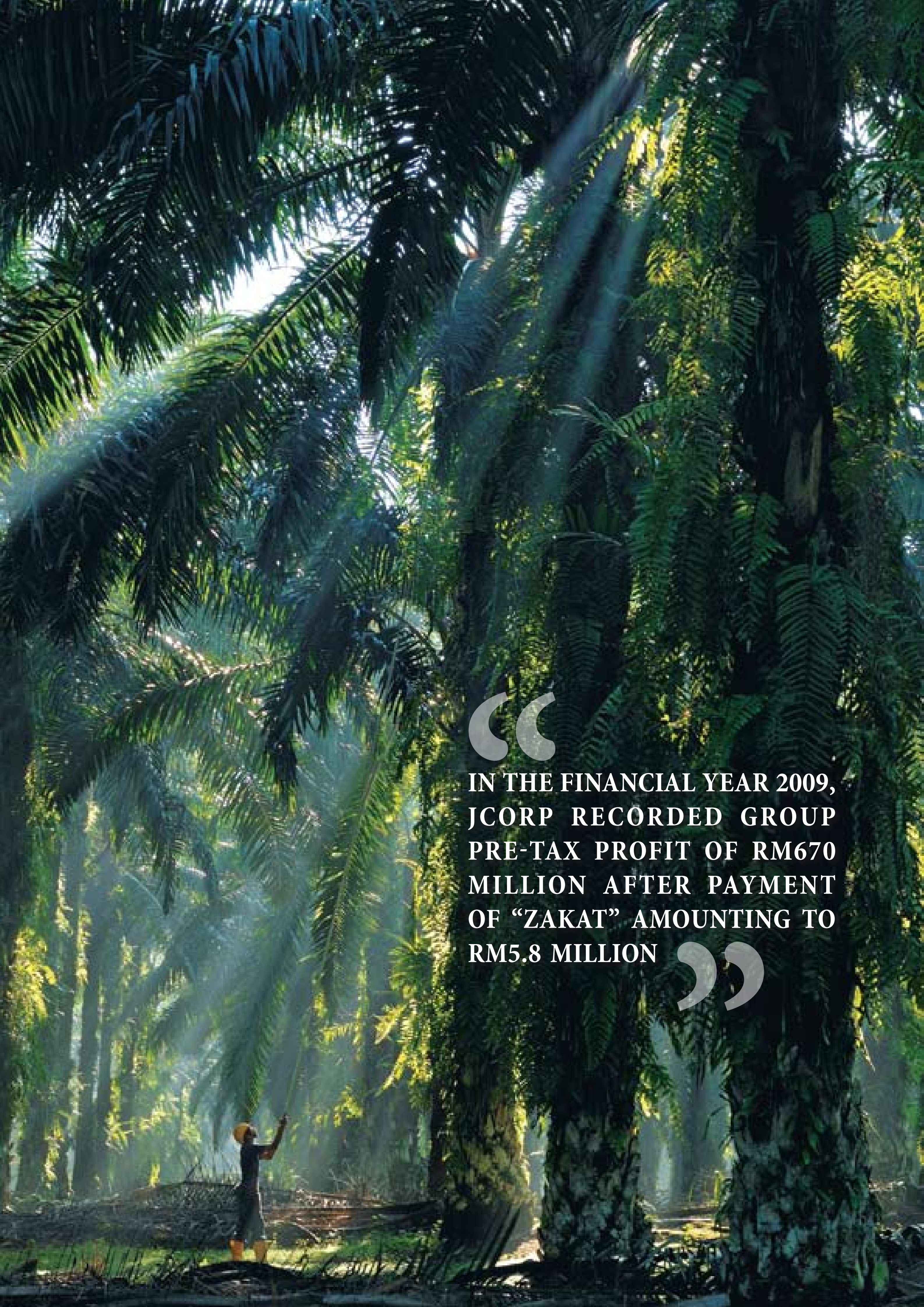
- A corporate entity contributing to Malaysia's economic growth and towards bridging economic divides and alleviating impact from distortions imposed upon society by the economic system. This can be achieved through our presence as a corporate "trust" institution and through the value premise underlying our intrapreneuring concept.

- A corporate institution actively cultivating and sustaining the trust and faith of all our stakeholders, indeed, of all Malaysians. It is to be achieved, for example, through aligning corporate action with community concerns on current environmental and ecological issues, among others. Such trust and faith is to be ultimately earned from public endorsement of JCorp's institutional long-term impact on society and from its performance and behaviour in the market.

JCorp's institutional presence is therefore designed to contribute towards correcting imbalances and mitigating its worst impact on society. As a corporate institution, we aim to minimise the effect of marginalisation of talented members of Malaysian society from the business and corporate mainstream. Hence the offer of entrepreneurial career opportunities particularly to those who would otherwise be alienated simply due to their lack of capital or inaccessibility to exclusive corporate networks.

When all is said and done, we are hopeful that Malaysians will indeed recognise that the Group's pursuit for business success and corporate critical mass will not, in the long run, end up only in exacerbating the universal capitalistic outcome of gross social and economic inequality in society.

ULTIMATELY, AT JCORP WE ARE SINGLE-MINDED IN OUR DETERMINATION TO SERVE THE COMMUNITY THROUGH ENTERPRISE – *A COMMUNITY OF ENTERPRISES AND AN ENTERPRISE FOR COMMUNITY!*



"IN THE FINANCIAL YEAR 2009, JCORP RECORDED GROUP PRE-TAX PROFIT OF RM670 MILLION AFTER PAYMENT OF "ZAKAT" AMOUNTING TO RM5.8 MILLION"

SECTION 1
2009 SYNOPSIS

YAB DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman
Johor Corporation

YBHG TAN SRI DATO' MUHAMMAD ALI BIN HAJI HASHIM
President and Chief Executive
Johor Corporation

CORPORATE STATEMENT

RIDING OUT THE STORM IN 2009 AND DIVERSIFYING INTO NEW BUSINESSES

AGAINST THE BACKDROP OF LOWER COMMODITY PRICES AND THE MALAYSIAN ECONOMY CONTRACTING BY 1.7% IN 2009, JOHOR CORPORATION ("JCORP" OR "THE GROUP") PERFORMED SIGNIFICANTLY BETTER THAN MIGHT HAVE BEEN EXPECTED. THE GROUP HAD ALSO MOVED QUICKLY TO SEIZE OPPORTUNITIES THAT SURFACED IN THE DOWNTURN, ESPECIALLY INVOLVING THE PLANTING OF SEEDS FOR FUTURE WEALTH CREATION, BUSINESS GROWTH AND CORPORATE EXPANSION.

The global economy, which grew by 1.9% in 2008, was reported to have declined by 2.9% in 2009. This is the first time that global output has shrunk in 60 years. Global trade in goods and services posted a decline of close to 10% in 2009, the largest drop in 80 years, as countries sharply curtailed their consumption and expenditure on durable and investment goods. Despite these unprecedented challenges, the Group continued to perform admirably on both operational and financial performance fronts.

While the world economy experienced the worst effects of the global financial crisis in the first half of 2009, most economies experienced a recovery in the second half of the year. The swift and concerted policy actions implemented across the world, including in Malaysia, were instrumental in avoiding a deep, fundamental depression of the global economy.

Alhamdulillah, in 2009 JCorp has successfully fulfil its obligatory redemption of second series of Bond, Guaranteed Islamic Redeemable Bonds (Bai' Bithaman Ajil) worth RM653.53 million and Redeemable Secured Certificates (Bai' Bithaman Ajil) worth RM18.98 million under the Corporate Restructuring Master Plan ("CRMP"). On 31 July 2009, JCorp has testified the commitment to uphold its corporate integrity and reputation by honouring all the obligations especially those entered under the CRMP.

JCorp is a market-driven Johor State Government-linked Corporation. It is to date one of Malaysia's leading business conglomerates, comprising more than 280 member companies and employing more than 60,000 employees in Malaysia as well as regionally. 8 member entities are listed on the Malaysian Stock Exchange, with one PLC, a subsidiary of Kulim Malaysia Berhad is listed on the Port Moresby Stock Exchange in Papua New Guinea, as well as the London Stock Exchange.

JCorp is a highly diversified corporate entity, with strategic businesses comprising Palm Oils, Foods and Quick Service Restaurants, Healthcare, Property, Intrapreneur Ventures and Logistics.

CORPORATE STATEMENT

While the Group's business segments are managed on a world wide basis, they operate in two main geographical areas: Malaysia, mainly in Plantation operations, Foods and Quick Service Restaurants, Healthcare operations, Logistics, Intrapreneur Venture and investment activities. Business operations in Papua New Guinea and The Solomon Islands are mainly in palm oil plantation and processing operations. Group revenue distribution by geography is dominated by Malaysia (75%), Europe (13%), and the rest throughout Asia, Papua New Guinea and other countries.

These Core Business Divisions are strategic businesses spearheaded by its majority owned public listed companies ("PLCs"). These strategic businesses have, in the year under review, proven their strong capability in generating value and creating wealth thus providing JCorp with a solid foundation for long term sustainability, corporate continuity and longevity.

AWARDS AND RECOGNITION

Alhamdulillah, JCorp's business and corporate achievements had not gone unnoticed. JCorp's President and Chief Executive, Tan Sri Dato' Muhammad Ali Hashim, was awarded Honorary Doctorate (Entrepreneurship) by University Utara Malaysia at its Convocation held on 27 March 2010. The University had recognised the CEO's tenacity, business acumen and entrepreneurial leadership that had enabled JCorp to grow into one of Malaysia's leading conglomerates.

Another of JCorp's outstanding CEOs, Datin Paduka Siti Sa'diah Sheikh Bakir, Managing Director of KPJ Healthcare Berhad ("KPJ") was named Malaysia's CEO of the Year 2009. She received the Award from Malaysia's Prime Minister, Dato' Seri Najib Razak at a glorious ceremony held on 11th March 2010. The CEO of the Year Award was intended to recognise leadership excellence among the top corporate figures of Malaysia. Siti Sa'diah was the first woman to receive the award since it was established 15 years ago and was chosen from a field of 118 nominees from 16 different industries. Siti Sa'diah's leadership has seen KPJ become one of the Malaysia's major home grown healthcare groups. With more than RM1.1 billion in assets and shareholders' funds in excess of RM508.9 million, she has also helped put the nation on the world map as the preferred health care service destination.

Another credential achievement of JCorp was when the Corporation was, again, awarded a 4-Star, the highest rating in Financial Management Accountability Index by National Audit Department. The award is a testament to JCorp's strong commitment towards attaining the highest level of corporate excellence and governance, in embracing the true spirit of accountability and transparency.

The JCorp Group was also an early adopter of the Principles & Criteria of the Round Table on Sustainable Palm Oil ("RSPO") and Kulim (Malaysia) Berhad ("Kulim") had the honour of receiving the Malaysia Sustainability Reporting Award ("MaSRA")

for 2009. Kulim was also declared the *Winner of the Best First Time Reporter and Commendation for Reporting on Strategy and Governance*. Kulim endeavours to promote sustainable production of palm oil, with focus on identifying and initiating projects to facilitate the implementation of sustainable best practices along the palm oil supply chain.

Palm oil is an important and versatile raw material for both food and non-food industries, contributing to the economic development of the producing countries and to the diets of millions of people around the world. Although palm oil is entirely GM (genetically-modified) free and has the highest yield per hectare than any other oil or seed crop, it is recognised that there are environmental pressures on its expansion to eco-sensitive areas, particularly as oil palm can only be cultivated in tropical areas of Asia, Africa and South America. JCorp and Kulim therefore subscribe to the view that it is vital for production and use of palm oil to be undertaken in a responsible and sustainable manner based on economic, social and environmental viability considerations.

FINANCIAL PERFORMANCE

Consistent with the gradual improvement in market sentiment during the year, JCorp Group's 8 public listed companies in its stable had a rewarding year. One quick measure of business achievement indicating the pace of corporate growth that took place in 2009 is reflected through the growth in market capitalisation (or the value in the market) of our public-listed subsidiaries.

Market capitalisation of these 8 listed subsidiaries controlled and managed by the JCorp Group (including Kulim's subsidiary listed on the Port Moresby and London Stock Exchanges) increased substantially by 51% from RM6.8 billion at 31 December 2008 to RM10.4 billion at 31 December 2009. This is in spite of the delisting of a subsidiary in 2009, namely Johor Land Bhd. This rate of growth also compared favourably with the 45% increase in the Composite Index.

Stellar share price performances were recorded by KPJ, up 155% from RM2.55 at 31 December 2008 to RM6.51 at 31 December 2009, and by Kulim whose share price appreciated gradually over the year from RM4.58 at closing on 31 December 2008 to RM7.55 at closing on 31 December 2009, representing annual capital growth of 64.8%. Kulim's share price outperformed the Composite Index and the Plantation Index, whose improvements for 2009 were 45.2% and 53.6%, respectively. Kulim's market capitalisation also improved from RM1.41 billion at 31 December 2008 to RM2.41 billion at 31 December 2009, an impressive 70.9% jump.

Three of JCorp's listed entities were ranked among the top 100 Malaysian companies in terms of market capitalisation: Kulim placed at 65, KFC Holdings (Malaysia) Berhad ("KFCH") at 87 and KPJ, coming up to the top 100 for the first time, at 91 with market capitalisation of RM1.37 billion. This is indeed a well-deserved recognition by the market of JCorp's value creation efforts as well as the Group's ability to sustain corporate growth.

CORPORATE STATEMENT

The Group made significant strides in improving earnings, delivering strong cash flows, investing for growth and in strengthening the balance sheet. The improved performance in 2009 was driven by the consolidation of the Foods and Quick Service Restaurants Business Division, improved productivity and operational efficiencies, an effective acquisition strategy, and strengthened corporate governance.

The inclusion of KFCH into the Group, has resulted in significant changes to the Strategic Businesses' contribution to total revenue compared with the previous year. The Foods and Quick Service Restaurants Division, consolidating KFCH for the first time, emerged as an equally large contributor as the Palm Oils Division, generating 34% (2008: 8%) of total revenue. The contribution from the Palm Oils Division in the prior year was 58%. The Healthcare became the third largest contributor with 18% (2008: 20%), followed by property with 8% (2008: 10%) and contributions by intrapreneur venture was unchanged from the previous year at 3%.

Group revenue recorded an increase of RM1.9 billion or 30%, to RM8.2 billion in 2009. This was contributed by an equal mix of organic and acquisitive growth. This is an outstanding achievement, considering the fact that the Group's total assets employed only increased by 12% year-on-year for 2009.

Revenue from the Palm Oils Division, though, declined by 24%, posting RM2.8 billion in 2009 versus RM3.6 billion in 2008, mainly due to lower average palm products prices and the lower yield trend in Peninsular Malaysia owing to biological stress on palms and dry weather experienced during the year.

Three other core business segments performed better this year. Foods and Quick Service Restaurants Division, whose KFCH results were consolidated for the first time, saw revenue leaping to RM2.8 billion in 2009, compared to RM527 million previously. Healthcare Division's revenue increased by RM190 million or 15% to RM1.5 billion attributable to the expansion of the number of hospital properties and treatment of more patients. Property revenue increased by run RM33 million or 5% to RM635 million and intrapreneur ventures sales climbed steeply by 18% to RM210 million.

The Group's operating profit rose by RM68 million, or 12%, to RM632 million. The Group's pre-tax profit after Zakat for the year increased marginally by 1.5% to RM670 million owing to higher finance costs and a lower share of results of associates.

Additionally, recognition should also be extended to a number of intrapreneur companies within the Group that achieved historical milestones in their own right when they managed to record unprecedented revenue and profit benchmarks. These included EA Technique Sdn Bhd, TMR Urusharta Sdn Bhd, Pro Office Solution Sdn Bhd, Metro Parking (M) Sdn Bhd, Teraju Farma Sdn Bhd, HC Duraclean Sdn Bhd, Tepak Marketing Sdn Bhd, Johor Skills Development Center Sdn. Bhd ("PUSPATRI"), Epasa Shipping Agency Sdn. Bhd, Tiram Travel Sdn Bhd, Rajaudang Aquaculture Sdn Bhd and Kulim Civilworks Sdn Bhd.

KULIM MALAYSIA BHD – PALM OIL BUSINESS DIVISION

New Britain Palm Oil Limited acquires another 25,000 hectares in PNG

With expansion prospects in Malaysia severely limited, the Palm Oils Division had focused growth prospects in the Papua New Guinea business and Pacific region. On 24 February 2010, Kulim's 50.68% owned subsidiary in Papua New Guinea ("PNG"), namely New Britain Palm Oil Limited, made an announcement to the London Stock Exchange ("LSE") of its intended Share Purchase Agreement to acquire 80% shares of CTP (PNG) Ltd ("CTP PNG") from CTP Holdings Pte Limited. CTP PNG is an established oil palm plantation company operating in PNG, producing crude palm oil and other palm products for the international market. The acquisition of CTP PNG will be for a consideration of US$175 million, payable in cash, to be issued on completion of the exercise. This amount is equivalent to US$8,670 per planted hectare, and will be fully managed by NBPOL.

Through the CTP PNG acquisition, more than 25,000 hectares of established and producing oil palm plantations in PNG, covering 3 estates and 5 established palm oil mills, will be added to NBPOL's and the Kulim Group's plantation assets. This single acquisition will increase NBPOL's established plantation area by almost 50%.

Palm Oil Refinery in Liverpool, United Kingdom to be commissioned in Spring 2010

Good progress was made on the construction and fitting out of Kulim Group's Palm Oil Refinery located at Liverpool, United Kingdom. Production is expected to commence on schedule in Spring 2010. The refinery will have a dedicated supply source from NBPOL's certified sustainable plantations and so the palm oil will be fully segregated and traceable from seed to finished product. NBPOL has entered into a minimum two-year supply agreement to provide United Biscuits, a leading branded snacks business, with significant quantities of segregated, traceable and *Certified Sustainable Palm Oil* of the highest quality.

Kulim is also building a dedicated fractionation plant at the refinery in New Britain, PNG. Such developments are both exciting for Kulim and New Britain Palm Oil and an important vote of confidence of leading industrial customers on the two companies' produce and how they position their products in the marketplace with buyers who have a high regard for the environment and sustainability.

CORPORATE STATEMENT

Sustainable Palm Oil & RSPO Certification

The Group's Sustainable Palm Oil programme is a fundamental element of Kulim's Corporate Social Responsibility agenda. The ultimate goal is to integrate the business into serving a higher social cause, embracing sustainable use of land and water, advocating wildlife conservation and enrichment, and leaving a lasting heritage for future generations.

Following the successful RSPO certification of NBPOL in late 2008, the Malaysian operations were awarded their RSPO certification in January 2009. In January 2010 the Group-owned plantations and mills in Malaysia passed the first surveillance audit for continued RSPO certification. Similarly, during the year, the PNG plantations and mills have successfully undergone the first surveillance audit. NBPOL is now preparing for its operations in Solomon Islands, and the newly acquired Ramu plantation, to undergo RSPO certification audits in 2010. Likewise, the Malaysian plantations are also embarking on the certification audit for the Group-managed oil palm estates and mills belonging to JCorp.

In October 2008, Kulim became the first company in the plantation industry to commence Sustainability Reporting via its Sustainability Report 2007/2008. The Global Reporting Index ("GRI") G3 guidelines are being used again as the basis for the 2008/2009 report. The contents are further underscored by the *Principles of Accountability's AA1000AS* standards of responsiveness, materiality and completeness. A Sustainability Council was established by the Group in 2009 with the objective of integrating sustainability into the Group's business processes. The Council is also responsible for developing strategies and action plans for overall sustainability engagement.

On the world front, climate change and greenhouse gas emissions took centre stage at the Copenhagen Summit in December 2009. The Palm Oil Division is committed to playing its part in meeting national and global reduction targets. The Division had actively participated in the RSPO's GHG Working Group, a forum that was set up to provide recommendations for the integration of GHG standards within RSPO Certification Standards.

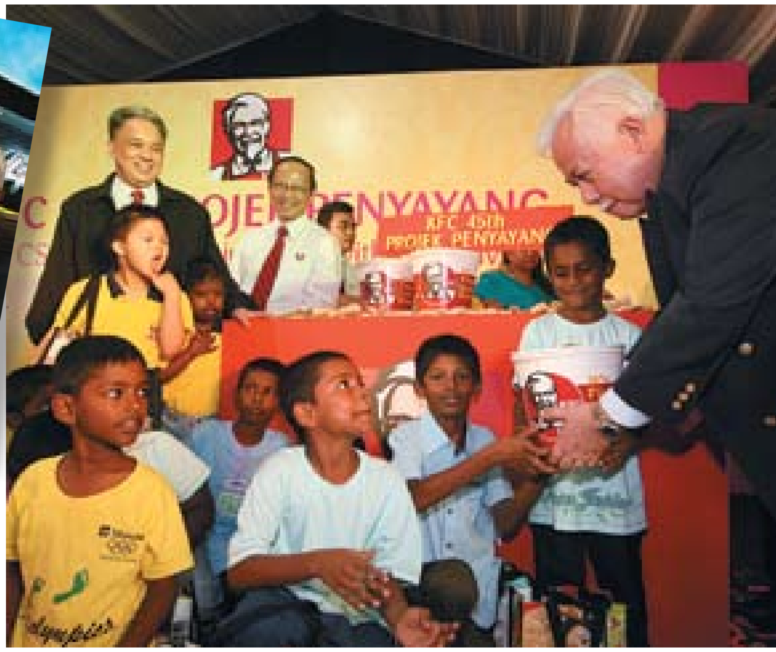
The Group is currently developing *Clean Development Mechanism* ("CDM") projects at its palm oil mills. Implementation of CDM at the mills will significantly reduce the emission of methane gas. Captured methane gas will be used to generate electrical power for use on the estates and in mills, with the potential to render further cost savings.

FOOD AND QUICK SERVICE RESTAURANTS DIVISION

Kulim Takes KFCH Under Its Wing

KFC Holdings (Malaysia) Bhd ("KFCH") became a subsidiary of QSR Brands Bhd ("QSR") on 2 January 2009. This development marked a historic moment in the long running corporate saga of the Group's takeover of QSR and KFCH, in the process overcoming a protracted hostile challenge which led to the exercise becoming one of Malaysia's landmark corporate acquisitions. The consolidation of the 2 companies' accounts has had a major impact on Kulim's revenue for 2009.

QSR owns the franchise for Pizza Hut for Malaysia and Singapore, Kentucky Fried Chicken ("KFC") and Pizza Hut franchise rights for Cambodia and is the largest shareholder of KFCH, owners of KFC franchise rights for Malaysia, Singapore and Brunei Darussalam. When QSR's accounts were first consolidated in 2006, KFCH's results were included in Kulim's books as an associate with the then equity holding of 42.9%, held by QSR.



At end December, 2009, the KFC outlets count stood at 475 stores in Malaysia, 77 stores in Singapore and 9 in Brunei Darussalam. QSR also opened 7 KFC outlets in Cambodia, persistently building critical mass in this newly franchised territory. QSR also operates 208 Pizza Hut stores in Malaysia and 50 Pizza Hut outlets in Singapore at end December 2009. KFCH also has 43 RasaMas restaurants and 35 Kedai Ayamas under its store portfolio at end 2009.

The Food and Quick Service Restaurants Division has been a major contributor to the number of jobs created. At the end of December, 2009, a total of 27,650 employees were recorded by the Division, an increase of 1,650 jobs or 6.3% compared with the position at the end of December, 2008.

KFCH Enters the Indian Restaurant Market

Following hard on the heels of its successful establishment in Cambodia, on 30 April 2009, KFCH announced it had accepted an offer from Yum! *Restaurants* (India) Pvt. Ltd, as part of the initial agreement, to operate the KFC franchise business in Mumbai and Pune in India. This venture into India reflects Yum! *International's* tremendous confidence in KFCH's and Kulim's business capabilities. More so when KFCH had won the coveted KFC *Tiger Award* as the top performing Asian franchisee for two consecutive years, in 2007 and 2008.

India, with its vast resources and as the second most populous country in the world, though undoubtedly an extremely challenging market, is expected to provide a sustainable growth path for the food and restaurants business. The entry into India is also expected to provide KFCH with the opportunity to diversify its earnings base and reduce its current dependency on the Malaysian and Singaporean markets. Besides the earnings diversification, India will provide a new frontier to KFCH as the Indian market is considered under developed with only over 1,200 brand restaurants catering to a population of 1.13 billion.

The Food and Quick Service Restaurants Division as a whole expanded its network to broaden customer reach by opening 21 new outlets for Pizza Hut, and another 39 for KFC, in Malaysia, during the year. Also during the year, KFC Cambodia increased its stores from two to seven. This brought the total number of Group-wide KFC and Pizza Hut outlets to 892 by end of 2009, from 812 in December 2008.

KPJ HEALTHCARE BHD – JCORP'S HEALTHCARE BUSINESS DIVISION

Making Malaysia a Healthcare Hub for the World

KPJ, the Healthcare Business Division of JCorp, is one of the leading private healthcare providers in the region with a network of 20 hospitals in Malaysia and two in Indonesia. KPJ started business from a zero base in 1981. It took KPJ 27 years to reach its first RM1 billion revenue and RM100 million pre-tax profit. KPJ aims to achieve RM2 billion revenue over the next two to three years from the RM1.4 billion currently.

CORPORATE STATEMENT

KPJ is planning to add 2 hospitals annually to its network. From a country perspective, KPJ is planning to work with other private hospitals to make Malaysia the healthcare hub of the world or Asia. With Malaysia's move in 2009 towards establishing the Malaysia Healthcare Travel Council ("MHTC"), the country is serious in promoting and developing the health tourism industry.

The year 2009 was globally one of consolidation as economies around the world worked to put their financial markets in order. It was within this environment that KPJ continued to make further headways in the healthcare industry, not only nationally but also regionally. In 2009 four new hospitals were being developed to extend KPJ's services to other cities and towns, namely Bandar Baru Klang in Selangor, Tanjung Lumpur in Pahang, Pasir Gudang as well as Muar in Johor.

On 11 March 2009, Kuching Specialist Hospital held its official opening ceremony, which was graced by the Chief Minister of Sarawak, Pehin Sri Haji Abdul Taib Mahmud. On 1 August 2009, the Group opened its new KPJ Penang Specialist Hospital in Bandar Perda, Bukit Mertajam, to serve the northern region. Built at a cost of RM45 million and with a built-up area of about 200,000 square feet, the five-storey hospital has a total capacity of 160 beds and 20 consultant suites, with the latest equipment and facilities.

The Hospital was officially declared open by the Tuan Yang Terutama Negeri Pulau Pinang, Tun Dato' Seri Utama (Dr.) Haji Abdul Rahman bin Haji Abbas on 23 November 2009. At the regional level, KPJ held the soft launch of RS Bumi Serpong Damai in Jakarta in December of the year.

KPJ's commitment towards providing excellent healthcare services has enabled the Group to attain many awards presented to its hospitals. Amongst these was the *ASEAN Business Award 2008* under the Corporate Social Responsibility category won by KPJ Ampang Puteri Specialist Hospital. Presented on 27 February 2009 in Bangkok, Thailand, by the ASEAN Business Advisory Council, the Award reaffirms that fulfilling a company's responsibilities to society can lead to sustainable profits.

The Asia Pacific Super Excellent Brand Awards were presented by the *Asia Entrepreneur Alliance Worldwide* to organisations that have produced high quality services on a regional level. These organisations are assessed on criteria such as quality, value, trustworthiness, credible image, customer satisfaction and brand management. During the year under review, both KPJ Ampang Puteri Specialist Hospital and KPJ Damansara Specialist Hospital received this prestigious recognition.

KPJ's market position will be further enhanced with its shares made more marketable when its corporate restructuring scheme was completed in 2010. Announced on 1 October 2009, the scheme involved a share split of one ordinary share into two shares, followed by a 1-for-4 bonus issue and 1-for-4 free warrants issue. As anticipated, the increase in the number of KPJ shares has improved share liquidity in the market place and enhanced KPJ's overall market capitalisation value.

On another front, the Al-'Aqar KPJ REIT has played a strategic role in supporting KPJ's business expansion program, and at the same time offer opportunities for the public to participate in an Islamic REIT instrument. The expansion of the REIT scheme was therefore a very significant corporate milestone for the Group.

Thus, a third injection of properties into the Al-'Aqar KPJ REIT was made in 2009. This unlocked a further RM292 million worth of KPJ hospital assets. Among the properties included were Seremban Specialist Hospital, Taiping Medical Centre, Damai Specialist Hospital in Kota Kinabalu, Bukit Mertajam Specialist Hospital, KPJ Penang Specialist Hospital, the current Tawakal Hospital and the new KPJ Tawakal.

Al-'Aqar KPJ REIT Becomes the Largest Islamic Healthcare REIT

With the latest acquisitions, Al-'Aqar KPJ REIT - the first Islamic Healthcare REIT in the world - continued to make history, by becoming the largest, Islamic Real Estate Investment Trust in the region in terms of number of assets/properties. Upon completion of the new Tawakal Specialist Hospital in first quarter of 2010, Al-'Aqar KPJ REIT is set to increase in size to RM1.06 billion. This is a substantial increase of more than 50% from the original asset size upon listing of Al-'Aqar KPJ REIT on Bursa Securities in 2006. This translates into making Al-'Aqar KPJ REIT the largest private healthcare facilities owners in Malaysia.

In recognition of its status as the first listed Islamic REIT in the world, in early 2009, Al-'Aqar KPJ REIT through its wholly-owned subsidiary, Al-'Aqar Capital Sdn Bhd was awarded the inaugural *Deal of the Year Awards in the Real Estate Deal of the Year Category* by the *Islamic Finance News* agency ("IFN"). Additionally, during the financial year ended 2009, Al-'Aqar KPJ REIT received further recognition by winning the *RAM League Awards 2009, RAM Award of Distinction 2008, Blueprint Awards,* and *New Real Estate Benchmark Deal* category.

Despite the economic uncertainties, Al-'Aqar Capital Sdn Bhd, a wholly owned subsidiary of Al-'Aqar KPJ REIT was able to garner the confidence of the financial sector. Its Ijarah Commercial Paper ("ICP") and/or Islamic Medium Term Notes ("IMTN") under the 'Sukuk Ijarah Programme' amounting to RM 300 million in nominal value were able to maintain the favorable ratings of AAA, AA2 and AAA (bg) from the Malaysian accredited rating agency, *Rating Agency Malaysia*. This had directly translated into Al-'Aqar KPJ REIT's ability to fund acquisitions of the expanded portfolio at the lowest possible cost.

CORPORATE STATEMENT

AmInvestment Bank and Kuwait Finance House was mandated by Al-'Aqar KPJ REIT as joint lead arrangers of Syndicated Ijarah Facility, to provide the Ijarah Muntahiah Bitamlik, with facilities up to RM 250 million, to finance the third acquisition exercise worth RM 398 million. Again, Al-'Aqar KPJ REIT enjoyed attractive blended yields from these financing facilities.

The issuance of the financing facilities created another significant milestone in Malaysia's Real Estate Investment Trust sector as Al-'Aqar KPJ REIT is the first Islamic REIT in the world to procure the first syndicated Ijarah Facility that is fully syariah compliant under both the Kuwait Finance House, *Gulf Cooperation Council* ("GCC") Standards as well as the Malaysian Standards. These compliances augur well for Al-'Aqar KPJ REIT in the event it plans to enter the Middle East market in future.

SINDORA'S INTRAPRENEUR VENTURE BUSINESS DIVISION

EA Technique's Shipping Fleet Expands

Sindora's Intrapreneur Venture Business has proven to be a viable corporate concept that augurs well for its corporate future. A landmark achievement was when Sindora successfully acquired EA Technique Sdn Bhd, ("EA Technique"), a small shipping operator with high ambitions to grow into one of Malaysia's lead players in the clean petroleum products shipping sector. In line with the Intrapreneur Venture concept, Sindora has fully honoured its promise to provide full corporate support for EA Technique's growth and expansion in the year under review.

This was evident when Sindora and EA Technique moved to formalise the acquisition of a 51% equity interest in Orkim Sdn Bhd ("Orkim"). The principal activities of Orkim are ship owning and management, ship broking and marine consultancy services. Orkim has entered into an understanding with an oil major company to provide and supply two 7,000 dead weight tonne ("dwt") vessels that are expected to commence operations in the second quarter of 2010. The company has also been awarded five long term 10 year contracts to supply three 9,500 dwt vessels and two 8,500 dwt vessels with another oil major in Malaysia. All these newly built vessels are expected to commence operations by end 2010.

Upon delivery of all the vessels by end 2010, Sindora Group, through EA Technique, will emerge as the second largest domestic shipping company in terms of carrying capacity in the clean petroleum product segment, after MISC Berhad. As a combined Group, EA Technique will have a diversified portfolio of customers that included among others, Shell and Petronas, and a much lower average age profile of vessels as well.

Substantial benefits from the economies of scale of its operation post-acquisition will boost EA Technique's profit margin due to better terms and conditions with its suppliers and contractors apart from higher utilisation of resources. Furthermore, EA Technique will be able to fully utilise its proposed shipyard facilities to be built at Tanjung Langsat Port, Johor, expected to be operational by early 2011.

The Orkim acquisition is to be undertaken on staggered basis and as of 31 December 2009, both Sindora and EA Technique already owned 37.8% equity involving investment of RM20.7 million. The acquisition is scheduled to be completed in January 2011 at the agreed total cost of RM27.1 million, making Orkim a subsidiary of EA Technique from that date onwards.

In the meantime, EA Technique has secured a firm 10 years long term contract with an option to continue for another three years from an oil major company involving provision of services by three of its oil tankers. The contracts have a combined value of more than RM400 million, thus improving the long-term prospects of the business. These contracts would require the company to invest RM200 million to construct two units of 10,000 dwt tankers and a unit of 9,000 dwt tanker.

The two units of 10,000 dwt vessels were outsourced for construction in China and both undertook their maiden voyages in April and May 2010 respectively. The other tanker is being built in Teluk Intan, Perak by Johor Shipyard and Engineering Sdn Bhd ("JSE"), a wholly-owned subsidiary of EA Technique and is expected to be delivered in Q3 2010.

EA Technique has also secured 7-year contracts with an option to extend for another 3 years to provide four mooring boats at a total cost of RM8.0 million with a contract value of RM29.5 million.

On another tack, EA Technique has entered into an agreement with Tanjung Langsat Port Sdn Bhd ("TLPSB") for a 30-year lease of 20 acres of land for the purpose of embarking on a shipbuilding and ship repairs project at Tanjung Langsat Port, Johor under subsidiary Johor shipyard and Engineering Sdn Bhd ("JSE"). The facility is designed to accommodate the Group's requirement to service its vessels for repairs and building new tankers to meet future needs, with any excess capacity to be offered to other shipping companies. The first phase of the development will involve an initial 10 acres and is expected to commence operations by early 2011. JSE will establish the facilities with cost of investment for the first phase estimated at RM22.0 million.

JCorp's Other Intrapreneur Businesses Continue To Thrive

The powerful Intrapreneur development concept has so proven its worth that all Strategic Business Divisions in the JCorp Group have agreed to adopt the Scheme as a strategy for business expansion and growth. Consequently, this business model is now recognised as part of each Division's corporate strategy not only to plant the seeds for future business growth and expansion, but also to identify and develop entrepreneurial talent from among executives involved.

At the Foods and Quick Service Restaurants Division the Intrapreneur Scheme adopted is primarily focused on Integrated Poultry Farming to help fulfil the growing requirement for birds from own internal sources. With the intention of realising the vision to construct 16 intrapreneur bird farms over the next 2 years, 162 hectares of poultry farm land were purchased in Sedenak, Johor. By end of 2009, 8 intrapreneur farms were fully operational, producing 50,000 birds in one cycle of production.

CORPORATE STATEMENT

Under KFCH, the Intrapreneur scheme was also extended via the RasaMas restaurant expansion program, with 6 RasaMas Intrapreneur-owned outlets established in 2009 alone.

JCorp's iconic Intrapreneur concept, is indeed a novel, market-driven approach in developing entrepreneurial talent which is in tandem with the Group's mission to create long term value and generate wealth through entrepreneurial effort. Through the Intrapreneur scheme, JCorp had similarly sought, explored and seized new business opportunities, strengthened its strategic advantages and positioned itself strategically for long term growth whilst sustaining value creation and value addition activities throughout.

Tanjung Langsat Welcomes Foreign Investment

Tanjung Langsat Port ("TLP") has served and will continue to serve as a catalyst for the rapid growth of Tanjung Langsat and Pasir Gudang Industrial complexes and enhance Johor's as well as Malaysia's dynamics to attract FDIs. TLP is strategically located in the heart of South East Asia with adequate shoreline of 4.5 kilometres and draft of 12.8 meters and capable of accommodating from 5,000 DWT to 120,000 DWT vessels. These characteristics have given TLP the edge in attracting investors to use the Port's facilities. Its location which is at close proximity to Johor Port Berhad in Pasir Gudang provides added synergy to TLP and both Ports can complement each other.

TLP's strategic location, within 30 minutes of steaming time or 12 nautical miles from the international shipping lane and only about 50 kilometers from the international Airport - a designated regional air cargo hub - provide TLP with added accessibility and connectivity. In addition, TLP's strategic location within Iskandar Malaysia will give positive impact to the Port's development and growth in the future. Among its notable achievements, TLP has successfully concluded a land-lease agreement involving 80 acres of land within the Port's area to 2 multinational companies and one local company. The companies are Asiaflex products Sdn Bhd ("Technip") from France, Kiswire Neptune Ltd ("Kiswire") from South Korea and a local company, namely Johor Shipyard & Engineering Sdn Bhd.

In addition, TLP has successfully built three additional liquid cargo wharves to make it total five berths altogether. These new facilities were launched by Johor's Chief Minister and JCorp Group Chairman, Dato' Haji Abdul Ghani Bin Othman on the 31 December 2009. Another two specialized dry cargo berths were built to serve Asiaflex, Kiswire and Acerinox, the last being a Spanish company which has leased Tanjung Langsat land outside the Port's area to build a factory producing stainless steel – Malaysia's first. At this juncture, the Ports development cost, including capital dredging, has exceeded RM500 million.

In respect of the project development status of TLP's clients, the construction of 130,000 cubic meter of tanks facility has been completed and started operations in September 2009 while the remaining 279,000 cubic meter will be ready in February 2010 to make a total of 400,000 cubic meter of storage capacity. The facility is owned by Langsat Terminal One Sdn Bhd ("LGT1") a joint venture company involving Dialog, Trafigura and MISC. When fully completed, the RM500 million tank facility will generate 13 million metric tonnes of petroleum products a year through TLP's liquid cargo berths. LGT1 is also planning to build another 240,000 cubic meter of storage capacity in the upcoming years.

JCORP'S CORPORATE WAQAF

Islamic Corporate Social Responsibility ("CSR") Agenda

The launching of JCorp's innovative corporate endowment concept, the Corporate Waqaf in August 2006 was indeed a breakthrough in its corporate history. This Waqaf move goes beyond just an undertaking to fulfill its corporate social responsibility. Indeed, it was a bold and innovative move to redefine JCorp's corporate institutional role within the business eco-system, adopting and adapting the waqaf, a traditional Islamic institution that has played such a significant role at the peak of Islam's past glory.

4 December 2009 was another mark in JCorp's Corporate Waqaf history. The Agreement of Understanding for Corporate Waqaf (Waqaf Khas) between JCorp and Council of the Religion of Islam Johore ("MAIJ") was signed whereby it recognises JCorp and its Group of Companies to implement waqaf through Waqaf An-Nur Corporation Berhad. The agreement was held between Tan Sri Dato' Muhammad Ali Bin Hashim, President and Chief Executive of JCorp and Datuk Zainal Abidin Osman, Chairman of Islamic Religious Committee of Johor.

The most innovative feature of Corporate Waqaf that is absolutely unprecedented is the adaptation of the waqaf institution to serve a wealth-creating business cause that is also complemented with a definitive social outreach program aimed at bridging social divides. This institutional innovation is indeed a defining vehicle instrumental to the success of JCorp's Business Jihad. Corporate Waqaf, when fully translated into reality, would create a fascinating new dimension to how CSR is defined, particularly in directly embedding Islamic values deep within business ways and corporate practice.

Corporate Waqaf is therefore a market-driven institution deliberately adopted by JCorp in its attempt to do business in full compliance with Islamic teachings while simultaneously sustaining high business performance. Indeed, it is a deliberate strategic move to reform business ways and reinvent corporate methods that clearly are departures from conventional capitalistic ways.

Conventional capitalist methods are often regarded as extremely self-centred and individually focused, that, at the extremes, had resulted in the pursuit for individual self interests, personal gains and greed overriding everything else. This had often resulted in the long term interests of the larger community being given less attention and lower priority; or worse, totally diminished and ignored.

Waqaf Corporate approach in community ownership of corporate wealth is a move to shift business values dominating the business eco-system away from individual-centredness towards community-centredness. It is aimed at inculcating business values that place the larger, long term interests of the community, society and of ecological sustainability above that of the narrow, short-term, selfish interests of the individual businessman in his pursuit to maximise wealth.

CORPORATE STATEMENT

WAQAF AN-NUR CORPORATION BHD - Mosques, Hospital and Clinics

JCorp's Corporate Waqaf took off in 2006 with the transfer to Waqaf An-Nur Corporation Bhd ("WANCorp") RM 200 million worth (on net asset value basis) of public listed shares owned by JCorp. WANCorp's main income will be derived from the annual dividend payout by the PLCs whose portion of shares are now owned by WANCorp. These payouts will be allocated for re-investment, as well as to fund Islamic CSR programs that are not, however, exclusive to Muslims as beneficiaries.

In 2009, RM 4.9 million were received by WANCorp as dividends, and of this, 70% were allocated for re-investment. Another 25% of the dividends received were spent on Islamic CSR causes, mainly to fund JCorp's and KPJ's nationwide chain of charity Waqaf An-Nur Clinics and hospitals to serve the healthcare needs of the poor of all ethnic groups. Johor Islamic Religious Council is the beneficiary of the remainder 5%. In 2009, WANCorp distributed a total of RM 984,139 for Islamic CSR causes.

The success of waqaf institution as an effective instrument of charity is best illustrated by its growing number of beneficiaries, mainly among the poor and the needy. In WANCorp's case, this is undertaken through the services offered by the Waqaf An-Nur Clinics nationwide and the Waqaf Charity Hospital in Pasir Gudang, the latter being the first of its kind in Malaysia. Up to the end of the year under review, more than 550,000 deserving patients have received medical treatments at the Waqaf Clinics and Hospital throughout the nation.

Patients of Waqaf An-Nur Clinics have to pay only RM5 for treatment by a qualified doctor, plus the cost of medicine prescribed. Another CSR program with high impact is the Dialysis Centres that also operate alongside these Clinics. These Centres offer subsidised dialysis treatments, with many patients also benefiting from free treatments through financial support of NGOs and the respective Islamic Religious Baitul Mal Funds mobilised for that purpose.

> "GOVERNMENT-LINKED COMPANIES (GLCS) SHALL ENDOW THEIR SHARES INTO THE CORPORATE WAQAF INSTITUTIONS AS THE TRUSTEE AND PERMANENT OWNERSHIP BY MUSLIMS PARTICULARLY IN STRATEGIC BUSINESSES, INCLUDING THE COMPANIES LISTED ON BURSA MALAYSIA..."
>
> TAN SRI DATO' MUHAMMAD ALI HASHIM
> UTUSAN MALAYSIA, 13 JANUARY 2009

"IN EARLY 2009, THE CORPORATION SUCCESSFULLY ENDOWED THROUGH WAQAF 61% OF SHARES IN TPM MANAGEMENT SDN BHD TO THE AUTHORITIES FOR ISLAMIC RELIGIOUS AFFAIRS VIA WAQAF AN-NUR CORPORATION BERHAD."

Founded as it is on an institutionalised share ownership structure, Corporate Waqaf therefore goes beyond a conventional CSR agenda. Its ultimate aim is to institutionaise the link between a corporate entity such as JCorp and its wealth creation and value adding business function, with a structured mechanism to address the needs of the marginalised, disenfranchised and alienated in society. Such an institutionalised undertaking ensures that all these are performed on an organised and sustainable basis. Furthermore, the efficient, transparent and professional management of waqaf assets, coupled with the effective disbursement of waqaf benefits are among the best ways to eliminate poverty and bridge the gaps and divides in society resulting from the negative impact of uncaring capitalism.

Waqaf An-Nur Corporation Berhad ("WANCorp"), a company limited-by-guarantee established by JCorp to manage the assets and shares of companies within the JCorp Group transferred to waqaf, is expected to grow in size and importance. This is expected to happen as more PLC shares as well as shares of unlisted companies are transferred to waqaf going forward. WANCorp has already formalised a Memorandum of Agreement with the Johor Islamic Council, officially recognising its role in making a success of JCorp's Corporate Waqaf. WANCorp has consequently been endowed with powers of trustees and with the duty and obligation to manage JCorp's Corporate Waqaf, and especially to ensure that the principles of Syariah is fully and consistently adhered to and complied with.

The year 2009 also witnessed the transfer to waqaf of JCorp's third mosque located in a shopping complex after the launching of Kotaraya An-Nur Mosque at Plaza Kotaraya and An-Nur Mosque at Pasir Gudang Town Centre Complex. The primary intention of building a mosque within the compound of shopping malls is to bring the mosque institution closer to the community, especially the business community. A Waqaf An-Nur Clinic was also opened adjacent to the Waqaf An-Nur Mosque at the Larkin Sentral complex. Other Waqaf An-Nur Clinics opened in the year under review included one each at Bukit Indah, Selangor, and Samariang, Sarawak.

Up to the end of the year under review, 558,035 treatments had been delivered to patients throughout the Waqaf An-Nur Clinic system since its inception. An additional 115 kidney patients have benefited from dialysis services offered, the vast majority being low income patients who can ill afford costly, unsubsidised treatment.

CORPORATE STATEMENT

Waqaf Dana Niaga - Interest-free seed capital

WANCorp has also embarked upon another breakthrough program to develop business opportunities with particular focus on the conventionally marginalised groups with low access to capital, including young graduates, start-up small businesses operated by housewives and single parents, and the like. Towards this end, WANCorp launched a pilot program known as Waqaf Dana Niaga with the objective of providing interest-free funding provided through the waqaf institution.

In 2009, 122 individuals (comprised of 91 women and 31 men) with small start-up businesses received seed capital from Qardhul Hassan fund amounting to RM247,750. The Group's Foods and Quick Service Restaurants Division, namely Ayamas Food Corporation Sdn Bhd ("AFC") will play a lead role in making a success of this program. Actually AFC regards this venture from a long term business perspective, planning for the eventuality, once critical mass is achieved, to turn this program into a fully business-driven *"Bottom-of-the-Pyramid"* profit-oriented venture.

BRIGADE WAQAF – Waqaf Brigade Disaster Relief.

On the other hand, WANCorp also advanced further its Briged Waqaf An-Nur disaster relief team program in the year under review. Briged Waqaf consists of 5 functional groups focused namely on logistics, food & beverage, medical relief services, cleaning & restoration and rescue & volunteers. It was set up to encourage volunteerism as well as to organise relief works to assist victims of calamities and disasters. Its focus in 2009 was principally on training and capacity building.

Though still in its infancy, in the year under review Briged Waqaf was called upon to assist in the Padang Earthquake Relief Mission at Padang, West Sumatra, Indonesia from 12 to 19 October 2009. 10 elite members were dispatched to provide food and medical supply relief valued RM112,000. WANCorp's Briged Waqaf successfully delivered free emergency field clinical service to 557 survivors and patients.

The Padang Earthquake highlighted the importance of WANCorp's and JCorp's Briged Waqaf disaster relief establishment. For the earthquake had tragically caused the collapse of JCorp-owned Rumah Sakit Selasih (Specialist Hospital) resulting in its total abandonment and write-off. Fortunately no injury to patients and staff had occurred as there was sufficient time for the hospital to be vacated before the worst had actually happened.

WANCorp's Briged Waqaf have since been officially recognized by the Malaysian National Security Council (Majlis Keselamatan Negara or MKN) as one of a selected number of relief organisations capable of offering comprehensive and professional disaster relief services.

PROSPECTS

Despite the improvement in global economic fundamentals, the health of the banking system needs to be restored further. Capital raising exercises should be ongoing as the process of absorbing the credit losses is still in progress. Major international banks are still facing the task of raising additional capital and addressing the issue of potential funding shortages. Further imposition of stringent regulatory framework might also affect the bank lending decision.

Simultaneously, financial stability in certain advanced economies notably among the European countries remains a concern as a result of downgrading in the country debts rating. The financial crisis had significantly increased their public debt level. Thus, the financial challenges and most importantly the intervention process will continue to remain in existence particularly in those economies.

Nevertheless the overall systemic risk is subsiding as reflected by the improvement in the global production and the world equity markets. Emerging economies which are currently experiencing large capital inflows, should be considering exiting their supportive policies earlier. Escalation of asset prices and strengthening of currencies might exacerbate the inflationary pressure. Consequently, the local economy which is now encountering the growing process is not excluded in adopting a similar policy as there is a need to achieve a sustainable and balanced growth level.

Nonetheless, Malaysian economy which is expected to achieve 6% growth in 2010 will continue to leverage from the global economic recovery. The acceleration in local production as the

result of recovery in exports, consumer spending and supportive fiscal and monetary policies will continue to map Malaysia in preferred investment destination.

Concurrently, JCorp being a diversified organisation within a global reach will continue to adapt to changing economic landscape to enhance position in future economic challenges.

APPRECIATION

On behalf of the Board of Directors, we would like to express our appreciation to the management and all JCorp Group personnel for their dedication and loyalty towards the Group. Their enthusiasm and energy, and especially their selfless commitment towards causes that extend beyond the normal demands of business pursuits and work obligations, were indeed the very source of the Group's outstanding performance and extraordinary achievements in the year under review.

The business tenacity, leadership quality and entrepreneurial drive and energy of CEOs of JCorp's Strategic Business Divisions as well as all CEOs of intrapreneur companies that recorded outstanding performance during the year need special mention. We are also indebted to all top managers of all corporatised entities, departments and business units throughout the Group.

We also fully appreciate the guidance, wisdom and expertise of our fellow directors on the Board in advancing the interests of the Group. We hope for continued insightful contributions as we deliver quality and add value to our businesses for all our stakeholders as well as for society at large.

Our thanks also go to all those who had played their part in our success, namely The State of Johor and Federal Government Authorities, our bankers, advisors and other financial, our clients and customers, strategic partners, and investment institutions as well as all stakeholders at large.

We are deeply beholden to all public shareholders and institutions that have maintained faith in our PLCs and had supported our corporate moves and business transactions during the year. We fully appreciate the clear demonstration of their confidence in our vision and their loyalty to the Group by remaining loyal shareholders in spite of the challenging market circumstances. In specific instances, their active interest have helped driven the share prices of our listed entities to record levels, obviously to mutual benefit.

It is our sincere hope that, together, we shall stand tall to face the forthcoming extreme challenges with renewed energy and determination to sustain and further improve JCorp's performance in the years ahead. We look forward to your continued support of our commitment to growth.

DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman
Johor Corporation

TAN SRI DATO' MUHAMMAD ALI BIN HAJI HASHIM
President and Chief Executive
Johor Corporation

FEATURE ARTICLE

THE CORPORATE WAQAF

A MALAYSIAN EXPERIENCE IN BUILDING SUSTAINABLE BUSINESS CAPABILITY

Paper delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim
at Dubai International Conference of Endowments,
17 February 2010, InterContinental Dubai Festival City

CORPORATE WAQAF WAY TO PROSPERITY

Muslims all over the world have no choice but to pull their act together – economically, socially and politically. And they have to do it fast. They are already conscious of the fact that today, Muslim nations are the world's hotbeds of seemingly endless conflict and persistent warfare. They also do not need reminding, in spite of the rhetoric of the Islamist extremists among them stating otherwise, that a greater part of the solution is to be found in prospering the Muslim masses everywhere.

In short, what is needed fast are jobs, incomes and meaningful careers for the teeming unemployed young Muslims worldwide. It is imperative for Muslims everywhere to give highest priority towards the rebuilding of their own economic capabilities to free them from dependence and quickly achieve empowerment. One starting point is for them to accept the reality that today we all live in a business-driven, competitive world economic environment. In this economic climate, organised business has been one of the biggest contributors to general prosperity, as seen everywhere else in the world.

The BRIC countries of Brazil, Russia, India and China are already moving ahead on this fast lane. Muslims have either to come on board, or risk being mired in persistent poverty, conflict and senseless self-immolation. After all Islam has been very clear about the risks of persistent poverty. One of the Prophet's famous traditions or sayings had stipulated that poverty leads towards unfaith!

ECONOMIC EMPOWERMENT

From the business perspective, a general indifference, and a condescending attitude towards business among Muslims had brought this situation: they did not gain the maximum benefit from Islam's clear reminder that nine-tenth of livelihood is generated through business. The lack of interest and the low level of know-how and skills to pursue business on an organised, sustainable basis, especially on the part of those Muslims who are involved in business, had also caused them to lose out to others and consequently be easily overtaken and jostled out of the economic mainstream. Thus, they become economically vulnerable and perpetually dependent.

The Muslims' extreme economic predicament requires a total effort that is equivalent to a "Business Jihad", no less! Imagine if all the energy and motivational force of a jihadic war effort is harnessed, mobilised and channelled towards wealth creation to prosper the ummah and the world - and through ways, means and methods of peace and prosperity that translate the best that Islam can offer in values and civilisational terms to the world we live in.

After all, Muslims should know that the "greater" jihad, the more meaningful Jihad, is not one waged with violence and warfare. In this respect, Business Jihad and Corporate Waqaf are intended to be business-driven and market-friendly alternatives for Muslims to rid themselves of poverty and alienation. These can be effective ways to put a stop to their economic lethargy and helplessness, and turn the tide once and for all to economically empower Muslims.

The Business Jihad and Corporate Waqaf ways are also fully aligned with the critical need to ensure that, in the pursuit of material wealth and riches, Islamic values, teachings, and Islam's high ethical standards are not at all compromised.

Turning the tide and empowering an ummah - the vast majority of whom have been mired in the indignity and depravity of poverty, and who had suffered for centuries from the humiliation of colonisation and a prolonged post-independent dependency mindset - is indeed an extreme challenge.

From what has been achieved by most Muslim nations thus far, including in Malaysia, in the matter of getting Malay Muslims to be on par with other better-off Malaysians, it appears totally inadequate to limit the transformational effort to the use of conventional development economic tools and known policy-driven methods.

Business Jihad is, therefore, a deliberate attempt to reach deep into the source of motivational force understood by Muslims and Malays. The aim is to harness and mobilise this motivational force to rekindle the powerful dynamics of Islamic societies and channel them towards making a success of a business-driven economic empowerment program.

ORGANISATIONAL STRATEGY

Corporate Waqaf, on the other hand, is an innovative adaptation of the Islamic waqaf institution that can be made a key organisational strategy to translate the Business Jihad energy into real and sustainable business and economic success. Corporate Waqaf is therefore a creative and innovative act to use the waqaf concept and apply it to achieve business and corporate objectives.

Just like conventional waqafs, Corporate Waqaf can be established through voluntary and pious acts of Islamic charity, generosity and selflessness involving the endowment of one's property or asset for the benefit of chosen beneficiaries and the long term interest of the larger community. It can also be established by Governments transferring their corporate interests, for example in GLCs, into a Corporate Waqaf body established for that purpose.

Business Jihad

FEATURE ARTICLE

A conventional waqaf is more often associated with the vesting in waqaf the physical assets and property such as land, buildings, physical infrastructures, public utilities and such. In practice, conventional waqaf may also involve the waqaf of cash, shares, and equity, though these are less prominent.

Corporate Waqaf, however, goes beyond the waqaf entity being just institutional owners having passive possession over shares and equity, and using the earnings or dividend payouts from these shares and equity for the good of the intended beneficiaries. The Corporate Waqaf involves an institutional entity - that is, a "Waqaf Corporation" - by giving it full Mutawwali status (or official Management-Trustee status) by the relevant Islamic religious authorities.

Thus Corporate Waqaf must go beyond just simply being vested with powers to accept ownership of shares and equity transferred to waqaf by individuals, or by other private or public owners, including government agencies and GLCs. More importantly, the defining feature of a Corporate Waqaf must be its appointment as Mutawwali that is fully empowered to exercise all the powers that goes with ownership.

A STRUCTURED APPROACH

The Corporate Waqaf also has to have the ability to autonomously act (within the provision of the trust or waqaf deed) and exercise discretionary managerial powers. In practice, however, it is wise to subject these discretionary powers to a corporate decision-making structure. Such a structure can be adapted from a managerial and decision-making framework normally adopted and practised by business corporations

This adapted version can include, for example, the appointment of CEOs who are made answerable to a supervising Board of Directors. The fastest way to set-up such a Corporate Waqaf, (like the Waqaf An-Nur Corporation Bhd established by Johor Corporation of Malaysia), would be to 'implant' the Corporate Waqaf 'head and face' into the body framework or corporate structure established under the provisions of the prevailing (Malaysian) company legislation.

To ensure its effectiveness, a Waqaf Corporation must ascertain that right from the beginning the ownership is not limited only to equity with a meaningless minority position, but in sufficient quantity as to allow the Corporate Waqaf body to exercise influence over the strategic direction and critical affairs of the business involved.

Thus a Corporate Waqaf must be in a position of influence to enhance business value in order to reap the full harvest of capital appreciation over the long term.

Hence, a truly functional and dynamic Corporate Waqaf must not only have equity ownership, but a 'controlling' position in equity ownership. It may start from a passive, or minority equity position, but must move towards control position, especially in businesses that offer strategic long term growth opportunities. Even in a situation where it is in a minority, a Waqaf Corporation should also understand that 'control' and 'influence on control' can still be pro-actively exercised by waqaf if it can work out alliances and coordinate strategies with other likeminded shareholders.

In any event, an effective Corporate Waqaf must successfully move towards position of corporate control of its investments, if not across the board, then at least in selected, key strategic businesses. Such controlling ownership or influential voting power will grant the Waqaf Corporation real, active control over all assets - tangible or intangible - as well as the use of these assets. In this manner it can influence the impact created from business, to ensure that maximum benefit will accrue to its targeted beneficiaries as defined by the trust deeds of the waqaf.

Over time, the cumulative impact of successful Corporate Waqaf ownership will create for it a dynamic leadership position in strategic industries and businesses. This will enable it to determine direction, develop strategies and generally define the scope and kind of impact the Waqaf wants to have. Once the Corporate Waqaf builds sufficient corporate critical mass, (for example by becoming a "Corporate Waqaf MNC" - which is not impossible), it will be in a much stronger position not only to maximise returns to its intended beneficiaries, but also to be in a position to create an impact on the economic system.

ENTREPRENEURIAL TALENT

In today's business-driven economic climate, the largest portion and the most valuable of society's assets - tangible and intangible - are owned not personally by individuals, but by companies and corporations. Thus Corporate Waqaf enables the Muslim community to have access to such high value assets with the aim of mobilising and managing them through waqaf for the greater benefit of the community and society at large, and to also serve the higher cause of Islam. A true Corporate Waqaf would also be entrusted and charged with the responsibility to 'grow' the corporate assets and businesses over time, thus enhancing and multiplying their value on a sustained basis.

A Corporate Waqaf is therefore envisioned to have a distinct and unique advantage compared with a conventional waqaf, in that, it allows access to and thus can benefit from all the dynamics of corporate-driven businesses. At the same time, just like a conventional waqaf, Corporate Waqaf retains its "immortal" status. Being endowed in the form of a waqaf prevents the ownership right from being lost, reduced or whittled down, for example, through transitory factors such as deaths, or being subjected to dilution due to gross and unchecked personal incompetence, negligence or ethical compromises.

A Corporate Waqaf may be mismanaged, but once this weakness is overcome, the value enhancement process can continue. Most importantly, the core assets and businesses will be preserved by the waqaf status and will remain intact in perpetuity. Corporate Waqafs can therefore be diminished, but would be extremely difficult to destroy.

Thus it is implied that Corporate Waqaf, unlike the less dynamic waqaf of landed property or the passive waqaf of stock, shares and equity, is not comprehensive if it is not structured to also include the harnessing of entrepreneurial energy. Such a corporatised structure must be supported by a program to continuously develop entrepreneurial talent enabling it to build its own team of business managers employed on an organised basis to manage the business and grow the Waqaf over the long term.

Such a Corporate Waqaf, when managed successfully in both business and waqaf terms, can become a form of organised business that transcends narrow individual and family interests and focus on building lasting communal capabilities for the benefit of the ummah and the society in which it operates.

IMMORTALITY

Unlike individuals and people, corporate waqafs have the distinct advantage of "immortality". Their borderless universality in fact transcends even national boundaries, and further provides them with tremendous prospects for a promising future global role, perhaps even growing to become a waqaf MNC.

Corporate Waqaf's most formidable inherent appeal is therefore its "immortality" as a legal entity, sanctioned by Islam. This perpetuity is of tremendous strategic significance, especially when applied to business practice. Indeed, Waqafs had long preceded the West which, in spite of its late start, had successfully harnessed this "immortality" factor through their creation of limited liability companies that went on to grow into big corporations and MNCs. The time has come for Muslims to creatively adapt their waqaf institution to business and corporate practice for sustainable economic prosperity and empowerment.

Sustainable organised business has been the greatest competitive advantage contributing to the developed West's ability to dominate markets, globalise brand names, create wealth and sustain prosperity. These organisational skills and managerial expertise are what Peter F Drucker had once called "organisation technology", and had been put to use by corporations to ensure their ability to continuously add value to wealth, assets and businesses to last over many generations.

In contrast, entrepreneurial as many of them were, the Arabs and other Muslims who have been involved in business and global trade for over centuries, often longer than many of their Western counterparts, hardly have any enterprise that rank among world-class MNCs to speak about today. This is due to their enterprises having generally remained small and insignificant, hence weak and vulnerable when exposed to the harsh volatility and the extreme challenges of open market competition.

This vulnerability must be overcome before Muslims can take off. Unfortunately, it has since been only prolonged due to the unorganised and unstructured way Muslims have generally been going about in doing their business. It is a known fact, for example, that more than 95% of Arab business enterprises are until today exclusively owned by individuals, or have their ownership rights vested in tightly held family hands.

Thus their vulnerability and unsustainability are highly predictable. One survey stated that though generally very profitable, only 6% of these enterprises lasted to the 3rd generation, with not more than 3% lasting beyond the 3rd generation.

The same vulnerability threatens the position of all other Muslim enterprises, including among the Malays in Malaysia, for so long as their businesses are owned and operated by individuals and families. There is no way that their simple, family-structured businesses can compete and win, without first having the will, courage and determination to renew, restructure, and transform them into highly organised enterprises.

Corporate Waqaf offers them such an opportunity to overcome their vulnerability and become highly competitive organised businesses to ultimately empower the Muslim ummah.

2009 SIGNIFICANT CORPORATE EVENTS

JANUARY

1

Majlis PEDOMAN for Staff at Persada Johor

12

YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp presented a paperwork entitled *"Penerokaan Bidang Ekonomi Yang Strategik: Satu Pendekatan ke Arah Pemerkasaan Ekonomi Ummah"* at the 3rd Islamic Economic Congress at Merdeka Hall, PWTC.

20

YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp delivered a briefing at Persada Johor during a visit by Y.B Datuk Haji Ariffin Bin Mohd Arif, Chairman of Sabah Eonomic Development Corporation ("SEDCO") and Tn. Hj. A.M. Yusof Abd Razak, Vice Group General Manager, Corporate and Development Affairs SEDCO.

22

Exhibition during Islamic Economic Development Festival 2009 (i-Fest' 09) at Midvalley Exhibition Centre, KL until 26 January 2009.

30

JCorp received a visit from students and lecturers of Universiti Teknologi Mara ("UiTM") Dungun, Terengganu. In relation to that visit, briefing about JCorp was delivered by Puan Satira binti Omar, Acting General Manager of Corporate Communication, at Persada Johor.

FEBRUARY

11

The Tabung Tijarah Ramadhan Schoolbag Distribution Ceremony at Seremban Specialist Hospital, Negri Sembilan. Contribution was delivered by Pn. Hjh. Azizah Ahmad, General Manager of Bisnes Amal to the Director of Education Department of Negeri Sembilan, YBhg Dato' Abdullah Mohamad.

16

The Official Launching of *Program Usahawan Muda Tunas BISTARI, Tunas BISTARI Teknik, Didik BISTARI and Siswa BISTARI 2009* at Persada Johor.

16 - 22

The 14th International Kite Festival Pasir Gudang, 2009 at Bukit Layang-Layang, Pasir Gudang.

23

The Tabung Tijarah Ramadhan Schoolbag Distribution Ceremony in Kelantan. Contribution was delivered by Pn. Hjh. Azizah Ahmad, General Manager of Bisnes Amal to the Director of Education Department of Kelantan, Tn. Hj. Mohd Ghazali Ab. Rahman.

MARCH

5

The Tabung Tijarah Ramadhan Schoolbag Distribution Ceremony to students of the poor and less fortunate in Kedah, had taken place at Kedah Specialist Hospital.

13

The Ceremony of Appreciation for Johor Sailing Athletes 2009 at Pasir Layar, Tanjung Langsat, Pasir Gudang.

14

JCorp received a learning visit from the Committees of Masjid Bandaraya Kota Kinabalu, Sabah. Briefing was delivered by Tn. Hj. Kamaruzzaman Abu Kassim, Senior Vice-President, Corporate Service, International Business and Finance at Persada Johor.

14

Mutiara Library was opened to public every Saturday and Sunday. This library was established by Mutiara Johor Corporation in collaboration with JCorp with the support from Johor Land Berhad.

18

JCorp received a visit from 25 Principals of Kolej Pengajian Islam Johor ("MARSAH"). Briefing was delivered by Pn. Hjh. Azizah Ahmad, General Manager, Bisnes Amal at Persada Johor.

31

JCorp received 'The BrandLaureate Conglomerate Awards 2008-2009' from Asia Pacific Brands Foundation ("APBF") at Shangri La Hotel, Kuala Lumpur.

APRIL

2

JCorp received a visit from Selangor Economic Development Corporation at Persada Johor.

15

The Night of Appreciation Ceremony, BISTARI 2009 at Persada Johor.

18

The 16th Tilawah Al-Quran Ceremony, *Pertubuhan Anak-Anak Yatim Islam Negeri Johor Darul Ta'azim was organised by Persatuan Kebajikan Darul Hanan Pasir Gudang & Jawatankuasa Penyelaras Anak-Anak Yatim Negeri Johor Darul Ta'azim* at Persada Johor.

20 - 25

Basic Course for Calamity Management, Briged Waqaf at KOMTAR.

27

HR Conference themed "Talent Management & Succession Planning" at Puteri Pacific Hotel, Johor Bahru.

27

A visit from University of Islamic Sciences Malaysia ("USIM") led by Prof. Dato' Dr. Mohamed Asin Dollah, Deputy Vice Chancellor (Student and Alumni Affairs). Briefing was delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp at Persada Johor.

28

The 148th JCorp Board of Directors Meeting at Persada Johor. Meeting was chaired by YAB Dato' Hj Abdul Ghani Othman, Johor Menteri Besar cum Chairman of JCorp.

2009 SIGNIFICANT CORPORATE EVENTS

MAY

7

A Session With Media at Persada Johor. Briefing was delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp.

18

Waqaf Forum Ceremony entitled *"Peranan Waqaf Dalam Pembangunan Ummah"* chaired by Ustaz Syahrin Md Jamaluddin and the panelists consisting of YBhg Dato' Abu Hassan Din Al-Hafiz and YB Dato' Hj Nooh Gadot.

23

JCorp and subsidiaries have participated in ADFIM Sports 2009 at Petronas Training Centre, Bangi, Selangor. In that competition, JCorp's contingent became the Overall Champion.

JUNE

2

JCorp achieved the first place for Financial Management Accountability Index 2008 with a percentage of 94.4% while managing to maintain its 4-star ranking for the second time. Pasir Gudang Town Council attained a second runner-up with a percentage of 87.2%. The announcement was made by YBhg Tan Sri Dato' Setia Hj Ambrin Buang, National Auditor in Chief at the Exit Conference taken place at Bangunan Sultan Ibrahim, Bukit Timbalan, Johor Bahru.

5

Experience-sharing session entitled *"Rahsia Bisnes Orang Cina"* with Mr. Ann Wan Seng @ Ann Abdullah at Persada Johor.

14

Briged Waqaf Johor Corporation in collaboration with Pasir Gudang Town Council organised *Operasi Gotong-royong* at Kampung Perigi Acheh, Pasir Gudang.

22

JCorp received a visit from the lecturers of Universiti Teknologi MARA ("UiTM") Sarawak Branch. In relation to that visit, Corporate Waqaf briefing had been delivered by Pn. Hjh Azizah Ahmad, General Manager (Bisnes Amal) at Persada Johor.

23

On 23 June 2009, Johor State Secondary Schools Brass Band Competition 2009 was held at Stadium Perbadanan, Pasir Gudang. A total of 7 bands from Johor state secondary schools participated in that ceremony namely:

1) Sek. Men. Sains Kota Tinggi
2) Sek. Men. (P) Sultan Ibrahim
3) Sek. Men. Keb. Skudai
4) Sek. Men. Keb. Dato' Abdul Rahman Andak
5) Sek. Men. Keb. Paduka Tuan
6) Sek. Men. Tun Fatimah
7) Sek. Men. Keb. Pasir Gudang

26

Golf Amal Klinik Waqaf An-Nur Tournament 2009 was held on Saturday, 27 June 2009 at Bukit Banang Golf & Country Club, Batu Pahat, Johor. The purpose of the tournament was to acummurlate funds for Klinik Waqaf An-Nur managed by Waqaf An-Nur Corporation Berhad.

JULY

1

Majlis Pedoman Bersama Eksekutif at Persada Johor.

4

Serial talks, Business Jihad Lectures Series entitled "Management Lessons From Ottoman Leadership" was delivered by YBhg Dr. Mustafa Ozel, Lecturer at Fatih University, Istanbul, Turkey at Kuala Lumpur. The lecture series were organised by JCorp in collaboration with Corporate Bureau, Malaysian Islamic Chamber of Commerce ("DPIM").

7

JCorp received a visit form Indian High Commissioner at Kuala Lumpur, H.E. Mr. Ashok K. Kantha. In relation to that visit, a briefing was delivered at Puteri Pacific Hotel, Johor Bahru.

AUGUST

9

The Launching of Briged Waqaf was held on 9 August 2009 at Astaka Bukit Layang-Layang, Pasir Gudang. The ceremony was officiated by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp cum Chairman of *Jawatankuasa Induk Briged Waqaf.*

14

JCorp received a visit from SIRIM Berhad. The visit was led by YBhg Datuk Hajah Jamaliah Kamis, Chairman of SIRIM Berhad. In relation to that visit, a briefing had been delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp at Persada Johor.

17

The Launching of Tijarah Ramadan Season 5 / 2009 had taken place at Seri Pacific Hotel, Kuala Lumpur. The ceremony was officiated by YB Mejar Jeneral (B)Dato' Jamil Khir Hj Baharom, Minister at Prime Minister's Office.

20

Kulim (Malaysia) Berhad had won the award for "Best First Time Report & Commendation For Strategy And Governance" at the ceremony of *Anugerah Laporan Kemapanan Malaysia ("ACCA") MaSRA 2009* at Hilton Hotel, Kuala Lumpur. Kulim (Malaysia) Berhad was represented by Tn. Hj. Zulkifli Ibrahim, Chief Operation Officer of Kulim (Malaysia) Berhad, and the award was delivered by YB Datuk Wira Chor Chee Heung, Deputy Finance Minister.

SEPTEMBER

4

Hujung Minggu Malaysia slot was aired live on TV 1 from Darul Hanan, Pasir Gudang. In relation to that program, YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp discussed the matter entitled *"Waqaf Korporat dan CSR Johor Corporation".*

OCTOBER

10

The National Level Catur BISTARI Challenge for Higher Education Institution ("IPT") 2009 was held at Ruang Utama, PUSANIKA, Universiti Kebangsaan Malaysia ("UKM"), Bangi, Selangor.

13

JCorp's Briged Waqaf Elite Team through National Security Council departed to Padang, Sumatera, Indonesia with a TUDM aircraft from TUDM Subang airport, Selangor to help the victims of the earthquake in that area. 10 recruits of Elite Team were led by Tn. Hj. Mohd Hizam Abdul Rauf, Company Chief of Ali Abu Talib. The aid channelled being the canned Chicken Curry (Ayamas product) as much as 14 tonne and 250 cartons of mineral water.

23

The Akad Ceremony for Contribution of Pharmaceutical Items by Chemical Company of Malaysia Berhad ("CCM") To Waqaf An-Nur Corporation Berhad ("WANCorp") for Chains of Klinik Waqaf An-Nur ("KWAN") nationwide was held at KPJ Ampang Puteri Specialist Hospital, Ampang, Selangor.

2009 SIGNIFICANT CORPORATE EVENTS

NOVEMBER

9

The, "Certificate In Intrapreneurship" Rewarding Ceremony, Intrapreneur Development Program (Group 4) was held at Persada Johor. The function was officiated by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp.

DECEMBER

2

JCorp became the host for *"Hari Mekar Kumpulan Johor Corporation 2009"* from 2 - 4 December 2009 at Persada Johor. The Launching of Hari Mekar was officiated by Tuan Haji Kamruzzaman Bin Abu Kassim, while The Closing Ceremony was officiated by YB Datin Paduka Siti Sa'diah Sheikh Bakir, Chief Executive, Prisihatin Division.

4

JCorp Briefing Session to *Ahli Mesyuarat Kerajaan Negeri Johor, Ahli Dewan Undangan Negeri Johor and Ketua-ketua Jabatan Negeri Johor* was held on 4 December 2009 at Persada Johor. The briefing had been delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp.

4

The MoU signing for Waqaf Khas (Corporate Waqaf) Between JCorp and the Islamic Council of Johor.

6

Malaysia Wind Orchestra Competition 2009 was held in collaboration with JCorp and, Persatuan Pancaragam Malaysia with the cooperation from Universiti Pendidikan Sultan Idris ("UPSI") on 6 December 2009 at Tanjung Puteri Hall, Persada Johor. A total of 5 bands participated. The Launching of Persatuan Pancaragam Malaysia (Malaysian Band Association) was done by Y.A.M. Raja Zarith Sofiah Binti Almarhum Sultan Idris Shah, Pioneer of Persatuan Pancaragam Malaysia.

10

Entrepreneur Lecture Series entitled "Selected Carrier" delivered by Tan Sri Dato' Muhammad Ali Hashim to students and lectures of Tangkak Matriculation College.

11

JCorp in collaboration with Islamic Development Department of Malaysia ("JAKIM") produced a 13-serie reality television program which was adapted from CATUR BISTARI game developed by JCorp named CATUR BISTARI d'TV and hosted by Dr. Fazley Yaakob. Recording of CATUR BISTARI d'TV competition was held at the National Film Studio, Petaling Jaya, Selangor beginning 5 December to 11 December 2009. The final round of the competition was held during the last episode which happened on 11 December 2009. Prizes Giveaways ceremony of CATUR BISTARI d'TV was held at the National Film Studio, Petaling Jaya, Selangor and officiated by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp.


TIJARAH
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321
RAMADAN

JCORP
IN THE NEWS

JCorp's business jihad

JCorp records satisfactory performance in 1st qtr

丹绒朗刹码头增3停泊口

或成我国最大液态码头

NATION

Growth for Tg Langsat

4,000 new jobs in industrial area thanks to RM4bil investments

Dialog plans RM3.5bil petroleum terminal in Johor

By EDY SARIF
edy@thestar.com.my

KUALA LUMPUR: Dialog Group Bhd plans to build the first independent deepwater petroleum terminal facility in South-East Asia in Tanjung Ayam and Tanjung Kapal in Pengerang, Johor, with an investment of more than US$1bil (RM3.5bil).

The project, a joint venture with the Johor government and The State Secretary, Johor (Inc) (SSI), was expected to start in the first quarter next year once a detailed feasibility study and environmental impact assessment (EIA) for the development of the terminal was done.

Chairman and group managing director Ngau Boon Keat said the group would be also looking for partners as the project involved a huge amount of investment.

"The state will become our equity partner, providing 500 acres of reclaimed land in Pengerang while we will build, own and operate the terminal," he said at the signing of the memorandum of understanding (MoU) with the state agencies for the establishment of the terminal.

Ngau said the group believed that despite the current financial crisis, demand for storage facilities had increased.

> TURN TO B2

JCorp confident units will kee

By ZAZALI MUSA

QUOTE OF THE DAY

"Ayamazz Push Cart project is part of our contribution to reduce the rate of unemployment among fresh local graduates"

KFCH CHAIRMAN TAN SRI MUHAMMAD ALI HASHIM

KFCH moving into India

The first two outlets will open in Mumbai and Pune this year

By ZAZALI MUSA

»India offers good business prospect in the fast-food segment due to the huge domestic demand«

TAN SRI MUHAMMAD ALI HASHIM

Ayamazz extends push-cart scheme

It is taking the concept to more varsities and colleges

By ZAZALI MUSA

JOHOR BARU: Ayamazz Sdn Bhd, a unit of KFC Holdings (M) Bhd (KFCH) group, is extending its Ayamazz Push Cart project to more universities and colleges nationwide this year.

KFCH chairman Tan Sri Muhammad Ali Hashim said the objective of the project was to give opportunities to ...

Lion Eco: RM160m to expand Johor plant capacity

By Sim Bak Heng

Kachi says Lion Eco hopes to boost capacity to 50,000 tonnes a year in two to three years

ANNOUNCEMENT

REDEMPTION

Bai' Bithaman Ajil Serial Bonds / Guaranteed Islamic Redeemable Bonds (GHB) RM651,530,785.80 (2nd tranche)

and

Bai' Bithaman Ajil Redeemable Secured Certificates (RSC) RM18,983,000.00 (2nd tranche)

Facility Agent: AFFIN INVESTMENT BANK

Trustee: AMANAH RAYA

Alhamdulillah, Johor Corporation had successfully completed the second tranche payment of the Bai' Bithaman Ajil Bonds and Redeemable Secured Certificates under the Corporate Restructuring Master Plan on 31 July 2009. Johor Corporation would like to express appreciation to the Federal and Johor State Governments and relevant parties for their support.

THE BRANDLAUREATE AWARD 2008-2009

JCorp
The BrandLaureate Conglomerate Award

KFC
Best Brands in Fast Food - Fried Chicken

Ayamas
Best Brands in Chicken-Based Products

Pizza Hut
Best Brands in Food and Beverage - Pizzas

OTHER AWARD

JCorp
4-Star-The Highest Rating In Financial Management Accountability Index by National Audit Department

AWARDS AND ACCOLADES

“ON OCTOBER 4, 2009 FOR THE SECOND CONSECUTIVE YEAR THE CORPORATION HAS MAINTAINED THE HIGHEST RECOGNITION IN FINANCIAL MANAGEMENT WHEN AWARDED ACCOUNTABILITY INDEX (4-STAR) RECOGNITION BY THE NATIONAL AUDIT DEPARTMENT”

SECTION 2

ABOUT JOHOR CORPORATION

CORPORATE PROFILE

OVER THE 39 YEARS SINCE ITS INCORPORATION, JCORP AS A GOVERNMENT-LINKED ENTITY ESTABLISHED BY THE JOHOR STATE GOVERNMENT HAS FULLY EARNED THE TRUST AND CONFIDENCE OF ALL STAKEHOLDERS IT INTENDED TO SERVE, ESPECIALLY BOTH THE JOHOR STATE AND FEDERAL GOVERNMENT OF MALAYSIA. THE TRUST AND CONFIDENCE ARE INDEED WELL-DESERVED, AS THE CORPORATION HAS, OVER THE YEARS, ESTABLISHED A FORMIDABLE TRACK RECORD OF BUSINESS AND CORPORATE SUCCESSES THAT HAVE ALSO GREATLY CONTRIBUTED TO ADDING VALUE AND ENHANCING MALAYSIA'S ECONOMIC GROWTH AND DEVELOPMENT.

JCorp is indeed a proud corporate entity with a formidable track record of delivering not only business and corporate goals, but also strategic socio-economic objectives through creative and often innovative, market-driven methods. At the same time, it has also established an enviable reputation as a Government-linked entity that is autonomous and market-driven with a distinctive capacity to sustain performance in spite of extreme challenges, especially the financial and economic crisis of 1997.

As one of Malaysia's larger corporate organisations, JCorp Group continues to chalk up impressive results. In 2009, the JCorp Group's turnover has exceeded RM 8 billion and the Group profit before tax of RM670 million. 7 of its subsidiary companies are listed on Bursa Malaysia, namely Kulim (Malaysia) Berhad ("Kulim"), KPJ Healthcare Berhad ("KPJ"), Sindora Berhad ("Sindora"), Damansara Realty Berhad ("DBhd"), QSR Brands Berhad ("QSR"), KFC Holdings (Malaysia) Berhad ("KFCH"), Al-'Aqar KPJ REITs ("Al-'Aqar") and a subsidiary of Kulim namely New Britain Palm Oil Ltd ("NBPOL") listed in Papua New Guinea and London Stock Exchange market capitalisation value of these 8 listed companies towards end of 2009 accumulated to a total of RM 10.4 billion.

JCorp's main goal is to generate wealth and create sustainable value through entrepreneurial effort, business and corporate actions. The growth and success of the JCorp Group to date is testimony to the entrepreneurial leadership and business acumen of its more than 60,000 executives and staff employed throughout the Group, including sizeable teams of professionals in their respective fields of specialisation.

CORPORATE ACTIVITIES

With a formidable force of over 280 companies in its stable, JCorp stands among the nation's largest conglomerates, with core businesses encompassing Palm Oils with oleochemicals, Specialist Healthcare Services, Property Development and Entrepreneur Venture. The Corporation's other principal business ventures include Industrial Property Development, Entrepreneur Business Development, Unit Trusts and Fund Management, Commercial Property Management, Administration of Local Authority and the Hospitality Business.

JCorp has since become a national market leader in several of its core businesses, namely the Oleochemicals, Specialist Healthcare Services and Car-Park Management. It also has a significant regional presence in the Palm Oils Business Segment as well as other businesses, with operations and business interests spanning not only in Malaysia, but also in other regional territories, such as Papua New Guinea, Singapore, Brunei, the Philippines and the Solomon Islands.

Through Kulim, JCorp over the past decade has been among the leaders in oil palm plantations industry with current total plantation area of 79,460 hectares in Papua New Guinea, 7,577 hectares in Solomon Islands and 37,796 hectare in Peninsular Malaysia.

Through Kulim also, JCorp has managed to acquire QSR which owns the majority shareholding of a fast-food operator in Malaysia. QSR's dominant market share of the pizza market in Malaysia is through Pizza Hut, however, the more important profit contributor is its KFC fast food franchise, which is held by KFCH.

The whole group is currently mainly involved in the operations of poultry processing, retailing and contract farming services as well as ancillary businesses like feed mill operations, breeder farms, hatchery and sauce manufacturing. The company holds the KFC franchise for Malaysia, Singapore and Brunei and currently operates approximately 568 outlets in total – 475 in Malaysia, 9 in Brunei and 77 in Singapore and 7 in Cambodia.

KPJ, the healthcare arm of JCorp with principal activities in providing medical and specialist healthcare services, owns and manages 19 private specialist hospitals throughout Malaysia plus 2 hospitals in Indonesia, bringing the total to 21 hospitals in the KPJ Group.

KPJ also owns and operates the KPJ International College of Nursing and Health Sciences ("KPJIC") with the mission to 'Provide Nurses For the World'. Besides its impressive main campus in Kota Seriemas, Nilai, Negeri Sembilan, KPJIC has also extended its training services in the southern region with the new branch campus in the Metropolis Tower of Johor Bahru.

Pasir Gudang, the industrial area managed by JCorp holds the unique advantage as hosts to the world's largest concentration of downstream palm oil processing activities, including refineries and oleochemicals, complemented by the presence of several petrochemical plants. This will be further enhanced by the completion of new Tanjung Langsat Port which will be developed into Malaysia's first Biofuel Hub.

Industrial land area of more than 1,200 acres has already been designated and prepared for bio-diesel. In view of the ever-increasing petroleum prices and petroleum's prospective world supply constraints, biodiesel is expected to be a new, exciting product of strategic global significance. JCorp's strategic positioning for biodiesel, coupled with Pasir Gudang's critical mass and Tanjung Langsat's ready infrastructure, therefore also promises Malaysia tremendous future strategic advantages.

AKTIVITI
KORPORAT

CORPORATE SOCIAL RESPONSIBILITY

JCORP HAS ALWAYS ADOPTED A MUCH BROADER DIMENSION IN MEETING ITS CORPORATE OBLIGATIONS TO ACHIEVE THE AIMS AND OBJECTIVES OF ITS CORPORATE SOCIAL RESPONSIBILITY ("CSR") TO ADD VALUE TO MALAYSIA'S SOCIAL ASSET THAT IS SO CRITICAL FOR NATION BUILDING IN UPLIFTING THE QUALITY OF LIFE.

JCorp was the first to develop and successfully manage Malaysia's only chain of 13 charity clinics that adopted and adapted the Islamic Waqaf concept. Named Waqaf An-Nur Clinics, other than providing quality medical care especially to the needy and less fortunate at a nominal charge of only RM5 including medicines, these clinics also offer dialysis treatment services at RM90 per treatment. Notwithstanding in many cases, treatments given to the selected deserving patients are offered at fully subsidised cost through the support of the Baitul Mal which is administered by Islamic Council and other charitable institutions.

Together with public support, the Corporation, through its in-house Corporate Social Organisation ("CSO") also funds and manages The Darul Hanan Orphanage in Pasir Gudang, Johor that also opens its doors to underprivileged children. JCorp had also initiated the establishment and management of 7 mosques, With the aim to help bridge social divides, including the digital divide, empowering the community with knowledge and skills

to improve access to economic opportunities and towards a better life is therefore among the Corporation's focus; through programs undertaken by its business units as well as NGOs established for the purpose. This is principally achieved through programs and services offered by the Johor Skills Development Centre, ("PUSPATRI"), the Johor Centre for Management Training ("IPPJ"), BISTARI and TUNAS BISTARI, as well as through the JCorp's corporate support offered to the Corporate Bureau of the Malaysian Islamic Chamber of Commerce.

The JCorp Group therefore will continue to dedicate itself to the corporate cause of creating wealth and sustaining value creation through business enterprises. At the same time, it will always remain responsive to the needs of society and invest energy and resources towards fulfilling its CSR, both directly through the business activities of its companies, as well as indirectly through extending its professional management capabilities to achieve wider social goals and objectives.

CORPORATE INFORMATION

www.jcorp.com.my
www.businessjihad.com

REGISTERED OFFICE

Level 2, PERSADA JOHOR
Jalan Abdullah Ibrahim
80000 Johor Bahru
Johor, Malaysia
Telephone: 607-219 2692
Facsimile: 607-223 3175
ISOFacsimile: 607-224 2692
E-mail : pdnjohor@jcorp.com.my

KUALA LUMPUR BRANCH

Level 2, Block A (North)
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia
Telephone: 603-2094 2692
Facsimile: 603-2093 4692
Website:
www.jcorp.com.my
www.businessjihad.com

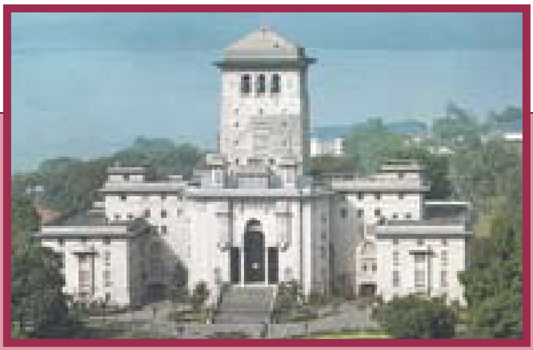
AUDITOR

KPMG
Chartered Accountant
Level 14, Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor, Malaysia

PRINCIPAL BANKER

MAYBANK
Lot M1-22
106-108 City Square
Jalan Wong Ah Fook
80000 Johor Bahru
Johor, Malaysia

CORPORATE HISTORY



GROWTH

1968

- Johor State Economic Development Corporation ("JSEDC") was established by the state government under the 4th Enactment 1968.

1971

- JSEDC was given the mandate by the Johor State Government to manage 1,580.72, hectares of Tebrau Oil Palm Estate.

1972

- Obtained approval from the Johor State Government to carry out tin mining activity on a 12,950.08 hectares of land in Kota Tinggi.
- 3.52 hectares land located in the middle of Johor Bahru city was awarded by the Johor State Government to JSEDC to construct a Shopping complex named Tun Abdul Razak Complex ("KOMTAR").
- Opening of industrial areas at Pasir Gudang, Tanjong Agas in Muar and Tongkang Pecah in Batu Pahat.

1975

- Purchase of Kulim (Malaysia) Berhad's shares, an oil palm and rubber plantations company. The company was listed in the Stock London Exchange under Kulim Group Limited. This was the starting point for JSEDC to be involved in agro-business sector with an initial equity holding of 8.72%.

1977

- Restructuring of Sindora Berhad resulting with JSEDC owning 65% equity, the biggest shareholding in Sindora Berhad.
- JSEDC was appointed administrator of Pasir Gudang as Pasir Gudang Local Authority under section 150, Township Board Enactment, No 118.

1988

- JSEDC acquired Kemajuan Intisari Sdn Bhd and later changed its name to Kumpulan Perubatan (Johor) Sdn Bhd.

EXPANSION

1991

- JSEDC became involved in aluminium ingot manufacturing activities through a joint-venture subsidiary, Johor Aluminium Processing Sdn. Bhd.
- JSEDC was appointed master franchiser for The Medicine Shoppe International Inc. in Malaysia, Singapore and Brunei.
- The construction of Masjid An-Nur KOTARAYA, Johor Bahru was completed.

1992

- JSEDC successfully launched Amanah Saham Johor ("ASJ").
- JSEDC introduced BAKTILADANG Worker Housing – a free housing scheme to estate worker.

1993

- JSEDC was announced the winner of the 1993 Public Service Innovation Award for the innovation of the use of coupon at the rubbish disposal area, Pasir Gudang and the 1993 Public and Private Innovation Award for the innovation of BADANG or Mechanical Buffalo.
- Pasir Gudang Local Authority was announced winner for the 1993 Public Services Special Award in the Financial Management Category.
- Johor Skills Development Centre ("PUSPATRI") in Pasir Gudang, a wholly owned subsidiary of JSEDC was set up to cater the training needs of highly-skilled workers in the field of production technology.

1994

- Pasir Gudang Industrial Estate won the coveted national Real Estate Federation (FIABCI) Malaysian Chapters Industrial Development Award 1994.
- JSEDC through KPJSB established the first nursing college, Puteri Nursing College heralding the nation's call to solve the problem of inadequate supply of nurses.
- JSEDC opening of Selesa Hotel located in Pasir Gudang was officiated by YAB Dato' Seri Anwar Ibrahim, Deputy Prime iter of Malaysia.
- The listing of Kumpulan Perubatan Johor Sdn Bhd's subsidiary, KPJ Healthcare Berhad, a wholly owned subsidiary of JSEDC on KLSE Main Board.

1995

- JSEDC changed its name to Johor Corporation.
- The first *Medaniaga* BISTARI - the culmination of the Tunas Bistari programme, where Tunas Bistari students were given opportunities to showcase their entrepreneurial skills.
- Dana Johor was launched by YAB Dato' Seri Dr Mahathir Mohamad, Prime Minister of Malaysia.
- The Achipelago Fund', a joint venture project with Jupiter International of London, was listed in the Luxembourg Stock Exchange.
- The first Pasir Gudang International Kite Festival was held in Pasir Gudang.
- Johor State Economic Development Corporation ("JSEDC") officially changed its name to Johor Corporation.

1996

- JCorp sponsored 'Jejak Rasul 2' TV programme aired on TV3 throughtout the fasting month.
- The official opening of the Ampang Puteri Specialist Hospital by YAB Dato' Seri Anwar Ibrahim, Deputy Prime Minister of Malaysia.
- The official launching of 'Membujur Lalu' written by YB Dato' Sri Muhammad Ali Hashim, Chief Executive of JCorp.
- The official opening of the Rumah Sakit Selasih in Padang, Sumatera and the opening of Padang Industrial Park, West Sumatera, jointly launched by Bapak Hassan Basri Durin and YAB Dato' Abdul Ghani Othman, JCorp's Chairman.
- JCorp through Kulim (Malaysia) Berhad acquired 90 percent stake in New Britain Palm Oil Limited ("NBPOL"), the biggest plantation company in Papua New Guinea.
- Johor Land Berhad a subsidiary company of JCorp was listed on the KLSE main board.

COPORATE HISTORY

TRANSFORMATION

1997

- Pasir Gudang Local Authority received the ISO 9002 certification, making it the first Local Authority to receive such recognition from SIRIM.
- The administration of Johor Football Association ("JFA") was awarded to JCorp by the State Government.
- Tan Sri Dato' Hj Hassan Yunus Stadium in Larkin, Johor Bahru became one of the venues for the IX World Youth Football Championship.
- Johor Franchise Development Sdn Bhd signed an agreement with Duraclean Inc (USA) to establish Duraclean Franchise Outlets in Malaysia, Singapore, Indonesia and Brunei.
- The signing of the Joint-Venture Agreement between Johor Capital Holdings Sdn Bhd and Albarakah Islamic Investment Bank of Bahrain. With the signing, the Asian Islamic Equity Fund was launched and managed by Albarakah-PJB Pacific Investment Company.
- Ground breaking ceremony of Perdana Specia!ist Hospital, Kota Bahru officiated by YAB Tuan Guru Dato' Nik Aziz bin Nik Mat.

1998

- The opening of the first Klinik Waqaf An-Nur to the public located at Level 3, Plaza KOTARAYA.

2000

- The agreement signing ceremony for purchase of majority stake in Medicare Specialist Centre between Kumpulan Perubatan Johor Sdn Bhd and DBS Land Group of Singapore.
- Puan Hajjah Siti Sa'diah Sh Bakir was conferred the 'Pingat Darjah Paduka Mahkota Johor Yang Amat Mulia Pangkat Dua ("DPMJ") which carries the title 'Datin Paduka'.
- YB Dato' Muhammad Ali Hashim, Chief Executive of JCorp was awarded the 'Pingat Darjah Kebesaran Panglima Setia Mahkota ("PSM") which carries the title 'Tan Sri'.
- Waqaf An-Nur Clinic with the co-operation of RTM organised 'Forum Perdana Hal Ehwal Islam' at Dataran Bandaraya, Johor Bahru.

2001

- The Corporate Philosophy was launched, 'JCorp - A Community of Enterprises!'.

2002

- Corporate Restructuring Master Plan ("CRMP") was approved with the conversion of JCorp's existing debt amounting to RM3.38 billion into long term Islamic financial instruments.

2003

- Signing of Memorandum between Johor State Government and JCorp Group to revive the prices of Amanah Saham Johor and Dana J6 through the Price Support Scheme.
- JCorp through KPJ Healthcare Berhad entered into a management agreement with the United Group Dhaka, Bangladesh to commission, provide helthcare technical expertise and manage the Continental in Dhaka, Bangladesh.

2004

- 8 out of 10 hospitals under the KPJ Healthcare Berhad Group continued to be certified with MS ISO 9001:2000.
- Development of a convention centre known as the Persada Johor International Convention Centre.

STRATEGIC EXPANSION

2005

- Acquisition of 36.7% QSR shares by Kulim.
- Undertaking of Corporate Waqaf by JCorp, involving the transfer of 75% equity in Tiram Travel Sdn Bhd.
- Acquisition of 2 entrepreneur companies by Sindora, namely EPASA Shipping Sdn Bhd and MM Vitaoils Sdn Bhd.
- Launching of Al-'Aqar KPJ REIT by KPJ Healthcare Berhad.
- Transferred of JMF Asset Management Sdn Bhd by Sindora to Amanah Raya Berhad.
- Disposal of oil palm plantation in Sumatera by Kulim for USD 60 million.
- Opening of Seremban Specialist Hospital by KPJ Healthcare Berhad.
- Increase of fatty acid annual production to 380,000 tonne by Natoleo, making Natoleo one of the largest oleochemical plants in the world.

2006

- JCorp through Kulim (Malaysia) Berhad successfully took over majority shareholding in QSR Brands berhad with 51.88% equity ownership.
- JCorp through Kulim (Malaysia) Berhad ventured into bio-diesel field, a joint-venture with Cremer Gruppe to produce 100,000 tonnes per annum of bio-diesel in Tanjung Langsat.
- The first waqaf hospital - 'Waqaf An-Nur Hospital' was officially opened to the public by DYAM Tunku Mahkota Johor.
- The launching and listing of the Al-'Aqar KPJ REIT, the first Islamic Healthcare REIT in the world.
- Launching of Corporate Waqaf which involved the transfer of 12.35 million unit shares owned by JCorp in Kulim (Malaysia) Berhad, 18.60 million unit shares in KPJ Healthcare Bhd and 4.32 million unit shares in Johor Land Bhd to Kumpulan Waqaf An-Nur Bhd as trustee.
- YAB Dato' Seri Abdullah Ahmad Badawi officiated at the Proclamation of the Tanjung Langsat Industrial Complex as a designated Bio-Fuel Park.

2007

- Second listing of New Britain Palm Oil (subsidiary of Kulim) at the London Stock Exchange.
- Purchase of majority shareholding in Sindora by Kulim from JCorp.
- Acquisition of Taiping Medical Centre by KPJ Healthcare Berhad.
- Setting up of KPJ International College of Nursing and Health Sciences branch campus at Metropolis Tower, Johor Bahru by KPJ Healthcare Berhad.
- JCorp managed to implement its 1st Serial Bonds Redemption under its Corporate Structuring Masterplan ("CRMP") on 31 July 2007 valued RM393.76 million.

COPORATE
HISTORY

STRATEGIC EXPANSION

2008

- Implementation of Final Price Support Scheme for Amanah Saham Johor and termination of Amanah Saham Johor. Continuation of the Fifth Price Support Scheme for Dana Johor.

- New establishment of Pasir Gudang Local Authority status to Pasir Gudang Municipal Council.

- Lease of an 80 acres of land for an amount of RM87.12 million between Tanjung Langsat Port and Asiaflex Products Sdn Bhd ("Technip"), Kiswire Neptune Sdn Bhd and Johor Shipyard and Engineering Sdn Bhd ("JSE").

- Signing of Islamic Securities Agreement ("Sukuk") between Tanjung Langsat Port and MIDF Amanah Investment Bank Berhad for issuance of RM 250 million Sukuk Musyarakah Bond and RM 135 million Musyarakah Commercial Papers/Musyarakah Commercial Notes Programme.

- The construction of 4 new cargo berths which are 3 additional liquid cargo berths and a specialised dry cargo berth with a total cost of RM 480 million.

- Handling of the first vessel loading 2,817 cubic metres of Palm Fatty Acid Distillates from Langsat Bulkers Storage Tank.

- Unincorporated Joint Venture agreement between Damansara Asset Sdn Bhd and Majlis Perbandaran Pasir Gudang to construct Aqabah Tower. The cost of construction is RM11 million.

- The construction of JCorp's new office in Bandar Dato' Onn with RM28 million cost of construction.

2009

- JCorp managed to implement its 2nd Serial Bonds Redemption under Corporate Structuring Masterplan on 31 July 2009 that is the Guarenteed Islamic Redeemable Bonds (Bai' Bithaman Ajil) valued RM653,530,785 and Redeemable Secured Certificates (Bai' Bithaman Ajil) valued RM18,983,000.

- A Session With Media at Persada Johor. Briefing delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp.

- JCorp managed to maintain its 4-star ranking for the second time, for Financial Management Accountability Index 2008 with the percentage of 94.4%.

- Serial talks, Business Jihad Lectures Series entitled "Management Lessons From Ottoman Leadership" was delivered by YBhg Dr. Mustafa Ozel, Lecturer at Fatih University, Istanbul, Turkey at Bunga Room, Level 3, Seri Pacific Hotel, Kuala Lumpur. The lecture series were organised by JCorp in collaboration with Corporate Bureau, Malaysian Islamic Chamber of Commerce ("DPIM").

- The Launching of Briged Waqaf was held on 9 August 2009 at Astaka Bukit Layang-Layang, Pasir Gudang. The ceremony was officiated by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp cum Chaiman of *Jawatankuasa Induk Briged Waqaf*.

- Kulim (Malaysia) Berhad had won the award for "Best First Time Report & Commendation For Strategy And Governance" at the ceremony of Anugerah Laporan Kemapanan Malaysia ("ACCA") MaSRA 2009 at Hilton Hotel, Kuala Lumpur. Kulim (Malaysia) Berhad was represented by Tn. Hj. Zulkifli Ibrahim, Chief Operation Officer of Kulim (Malaysia) Berhad, and the award was delivered by YB Datuk Wira Chor Chee Heung, Deputy Finance Minister.

- Johor Corporation's Briged Waqaf Elite Team through National Security Council departed to Padang, Sumatera, Indonesia with a TUDM aircraft from TUDM Subang airport, Selangor to help the victims of the earthquake in that area. 10 recruits of Elite Team was led by Tn. Hj. Mohd Hizam Abdul Rauf, Company Chief of Ali Abu Talib. The aid channelled being the canned Chicken Curry (Ayamas product) as much as 14 tonne and 250 cartons of mineral water.

- The Akad Ceremony for Pharmaceutical ITEM (S) Contribution by Chemical Company of Malaysia Berhad ("CCM") To Waqaf An-Nur Corporation Berhad ("WANCorp") for Chains of Klinik Waqaf An-Nur ("KWAN") nationwide was held at KPJ Ampang Puteri Specialist Hospital, Ampang, Selangor.

- JCorp Briefing Session to Ahli Mesyuarat Kerajaan Negeri Johor, Ahli Dewan Undangan Negeri Johor and Ketua-ketua Jabatan Negeri Johor was held on 4 December 2009 at Persada Johor. The briefing had been delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President and Chief Executive of JCorp.

- The MoU signing for Waqaf Khas (Corporate Waqaf) Between JCorp and the Islamic Council of Johor was held on 4 December 2009 at Persada Johor.

- Malaysia Wind Orchestra Competition 2009 was held in collaboration with JCorp and, Persatuan Pancaragam Malaysia with the cooperation from Universiti Pendidikan Sultan Idris ("UPSI") on 6 December 2009 at Tanjung Puteri Hall, Persada Johor. A total of 5 bands participated. The Launching of Persatuan Pancaragam Malaysia (Malaysian Band Association) was done by Y.A.M. Raja Zarith Sofiah Binti Almarhum Sultan Idris Shah, Pioneer of Persatuan Pancaragam Malaysia.

- JCorp in collaboration with Islamic Development Department of Malaysia ("JAKIM") produced a 13-serie reality television program which was adapted from CATUR BISTARI game developed by JCorp named CATUR BISTARI d'TV. The program was aired on RTM 1 beginning 21 February 2010 to 9 May 2010.

- Kulim (Malaysia) Bhd had received recognition and awarded Global CSR Summit Awards 2009 for Gold For Best Environmental Excellence category held at Raffles Hotel Singapore.

HUMAN CAPITAL DEVELOPMENT

EMPHASIS HAS ALWAYS BEEN GIVEN TO THE DEVELOPMENT OF HUMAN RESOURCE AS THE PLATFORM TO ENSURE THE SURVIVAL AND CONTINUOUS ACHIEVEMENT IN ACHIEVING THE OBJECTIVE OF BUSINESS JIHAD.

In realising the objective, JCorp constantly strive to groom potential employees with knowledge in various fields, instilling integrity value, discipline, on dynamic and competitive.

JCorp and Group constantly ensure the preparations of successors among experienced and competent employees at all levels are implemented. Identified employees are continuously assessed to ensure the preservation of JCorp's survival. These employees are given continuous training to fill in the gap and to strengthen the mind and intellectual.

Various training programs and quality activities continuously being organised for all category of employees, where the investment made for the purpose of building up the employees' competency in the year 2009 was RM0.57 million at headquarters level and a total of RM17.7 million in the Group. Employees' participation to improve the work quality can be seen through the increase in the number of project competing in Hari Mekar Johor Corporation 2009 amounting to 86 project with a total cost saving of RM43.6 millions.

Human capital development programs organised to strengthen the Intrapreneurs, enhance employees' knowledge and competencies such as:

1. Certificate in Intrapreneurship Program is to increase the proficiency of Intrapreneurs and Intrapreneurs-to-be, a collaboration program with Entrepreneurial Development Centre (MEDEC/UITM) since year 2006.

2. HR Certification programs, through collaboration with Bureau of Innovation & Consultancy, Universiti Teknologi Malaysia ("UTM"), are to elevate the professionalism among human resource practitioners in JCorp and Group of Companies were organised since year 2007.

3. Collaboration with International Business School ("IBS"), Universiti Teknologi Malaysia ("UTM") to organise the MBA in Healthcare Management program starting in December 2007.

4. Employees with Diploma and a minimum of 10 years service are also given the opportunity to further their studies to the Master level through the Executive Master in Business Administration ("e-MBA") program, another collaboration with International Business School ("IBS"), Universiti Teknologi Malaysia ("UTM").

5. Employees are encouraged to enrol in professional program such as ICSA, ACCA and CIMA as to produce more professionals in these fields.

Successors are exposed through the following programs:

1. Appointment as Panel JAWS, a panel that responsible to evaluate JCorp's new business investment.

2. Agenda 2020 Program to groom successors among young Executives who are trained in a structured program.

3. Appointment as Directors among employees who attended and passed the Director Course and other required qualifications.

4. Job Rotation within JCorp Group of Companies to learn work system in other Companies as to facilitate the improvement of work system as well as the implementation of best practices when return to the original Company.

All in all, JCorp will continue to organise development and training programs in line with the objective to sustain the survival and excellent achievement of JCorp and Group.

Harmonious relationship between the employer and employees has been preserved through discussion and exchange of views with all employees. Employees are able to express any doubt, give opinion and to elucidate as well as clarify any issue and problems at the Majlis PEDOMAN i.e. Gathering for Dialogue and Address which being held twice a year at every 1 January and 1 July. Employees can also give suggestion for improvement through CEMPAKA, ICC programs as well as discussion at the Majlis Bersama Jabatan.

OCCUPATIONAL SAFETY AND HEALTH POLICY

JCORP IS COMMITTED IN PROTECTING THE WELLBEING OF ALL THE EMPLOYEES THROUGH EFFECTIVENESS AND IMPLEMENTATION OF SAFETY AND HEALTH MEASURES IN ALL BUSINESS OPERATIONS. JCORP ESTABLISHED ITS OCCUPATIONAL SAFETY AND HEALTH COMMITTEE SINCE JUNE 2002.

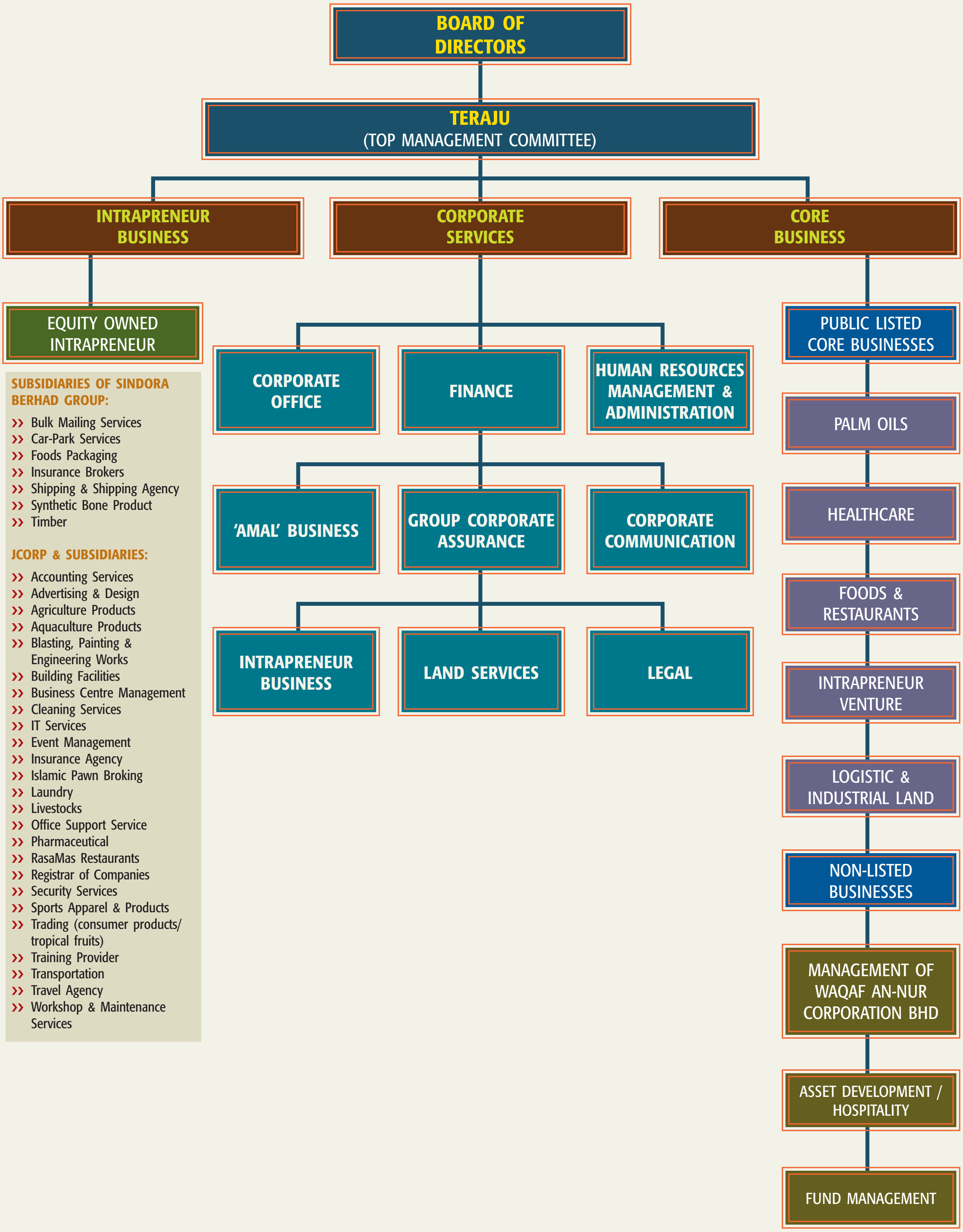
In accordance to Occupational Safety and Health Act 1994 ("OSHA"), JCorp has taken the necessary actions:

- to ensure and safeguard the employees' safety and health in the work environment;
- to ensure the workplace and equipments are safe and without risk to health;
- to provide information, instruction, training and supervision as is necessary to ensure the safety and health at work of all employees.
- to provide suitable facilities to promote health lifestyle.

JCorp has implemented the Occupational Safety & Health Awareness Program to ensure that all employees are always ready to deal with any emergency situation as well as natural disaster. The Emergency Response Team has been given the training and briefing to prepare them for action when needed. The building evacuation training and fire drill prove that the ERT and employees are ready to cope with any of these undesirable circumstances.

JCorp has always encourage the formation of Emergency Response Team as well as Fire & Rescue Team in all Companies within the Group.

BUSINESS STRUCTURE



BOARD OF DIRECTORS

YAB DATO' HAJI ABDUL GHANI BIN OTHMAN
Chief Minister of Johor
Chairman, Johor Corporation

YBHG TAN SRI DATO' MUHAMMAD ALI HASHIM
President and Chief Executive of Johor Corporation

YBHG TAN SRI DATO' ABDULLAH BIN AYUB
Businessman

YB DATUK HAJI AHMAD ZAHRI BIN JAMIL
Chairman, Housing, Local Councils, Infrastructure and Public Amenities Committee for State of Johor

YB DATO' HAJI ABD LATIFF BIN YUSOF
State Secretary of Johor

YB DATUK ABDUL RAHMAN PUTRA BIN DATO' HAJI TAHA
State Legal Advisor of Johor

YB DATIN PADUKA ZAINON BINTI HAJI YUSOF
State Financial Officer of Johor

YBHG TAN SRI DATO' ABDUL RAHMAN BIN MAMAT
Secretary General
Ministry of International Trade & Industry

YBHG DATO' DR. ALI BIN HAMSA
Director
Public Private Partnership Unit
Prime Minister's Department

YBHG DATUK DR. RAHAMAT BIVI BINTI YUSOFF
Director
Budget Management Division (Treasury)
Ministry of Finance

YBHG DATUK DR. HARIS BIN SALLEH
Businessman

ENCIK ALFADZILAH BIN HAJI MAT ARIS
Secretary of Johor Corporation

PROFILE OF BOARD OF DIRECTORS

YAB DATO' HAJI ABDUL GHANI OTHMAN

Chairman, Johor Corporation

Aged 64, YAB DATO' HAJI ABDUL GHANI BIN OTHMAN is a holder of Bachelor in Economics (Hons.) from University of Australia, Latrobe, Master of Political Economy, University of Australia and Master of Political Economy from University of Queensland. Appointed Chairman of Johor Corporation Board of Directors effective 3 May 1995. Currently he is the Chief Minister of Johor.

YBHG TAN SRI DATO' MUHAMMAD ALI HASHIM

President and Chief Executive, Johor Corporation

Aged 63, YBHG TAN SRI DATO' MUHAMMAD ALI BIN HASHIM is a holder of Bachelor in Economics (Hons.) from University of Malaya (1969) and once followed the Highest Executive Program, Stanford University, United States in 1985. He has been granted Honorary Doctrate In Management by Universti Teknologi Malaysia (UTM) in the year 2000, Honorary Doctrate of Philosophy In Entrepreneurship from Universiti Teknologi Mara (UiTM) in May 2007 and Honorary Doctrate of Philosophy In Technology Management from Universiti Tun Hussien Onn Malaysia (UTHM) in September 2007. Appointed General Manager, Johor Corporation (formerly Johor State Economic Development Corporation) effective 1980 and Chief Executive and Director of Johor Corporation later on 1 January 1982. Currently the President and Chief Executive of Johor Corporation

YBHG TAN SRI DATO' ABDULLAH AYUB

Businessman

Aged 84, YBHG TAN SRI DATO' ABDULLAH BIN AYUB holds a B.A (Hons) Singapore from Raffles College (now known as University of Malaya of Singapore) in 1953 and Post Graduate degree from University of Cambridge, England. Appointed Independent Director of Johor Corporation effective 25 April 1972. He is also the Pro-Chancellor of Universiti Teknologi Malaysia, Skudai, Johor.

YB DATUK HAJI AHMAD ZAHRI JAMIL

Member, Board of Directors

Aged 61, YB DATUK HAJI AHMAD ZAHRI BIN JAMIL holds a B.A. from University of Malaya. Appointed Director of Johor Corporation effective 9 September 2009. Currently the Chairman of Executive Committee, Housing, Local Government, Work And Public Amenities of the State of Johor.

YB DATO' HAJI ABD LATIFF YUSOF

State Secretary of Johor

Aged 57, YB DATO' HAJI ABD LATIFF BIN YUSOF holds a B.A. from University of Malaya. Appointed Director of Johor Corporation effective 19 October 2006. Currently the State Secretary of Johor.

YB DATUK ABDUL RAHMAN PUTRA DATO' HAJI TAHA

State Legal Advisor of Johor

Aged 52, YB DATUK ABDUL RAHMAN PUTRA BIN DATO' HAJI TAHA holds a Bachelor of Law (Hons.) from Canterbury University, New Zealand in 1984. Appointed Director of Johor Corporation effective 15 August 2006. Currently the State Legal Advisor of Johor.

YB DATIN PADUKA ZAINON HAJI YUSOF

State Financial Officer of Johor

Aged 57, YB DATIN PADUKA ZAINON BINTI HAJI YUSOF holds a B.A. from University of Malaya. Appointed Director of Johor Corporation effective 11 January 2006. Currently the State Financial Officer of Johor.

YBHG TAN SRI DATO' ABDUL RAHMAN MAMAT

Secretary General, Ministry of Trade and Industry

Aged 58, YBHG TAN SRI DATO' ABDUL RAHMAN BIN MAMAT holds a Bachelor Degree in Economics (Hons.) from University of Malaya and used to follow Advanced Management Program (AMP 167) from Harvard Business School, United States. Appointed Director of Johor Corporation effective 1 October 2006 to represent the Federal Government. Currently the Secretary General of Ministry of Trade and Industry.

YBHG DATO' DR. ALI HAMSA

Chief Director, Public Private Cooperation Unit, Prime Minister's Office

Aged 58, YBHG DATO' DR ALI BIN HAMSA holds a Philosophy Doctorate (PhD) from Oklahoma State University in 1997, MS (Economics) from Oklahoma State University in 1986, B.A. (Hons.) from University of Malaya in 1979 and Diploma in Public Management from National Institute of Public Administration ("INTAN") in 1980. Appointed Director of Johor Corporation effective 1 November 2009 to represent the Federal Government. Currently the Chief Director of Public Private Cooperation Unit, Prime Minister's Office.

YBHG DATUK DR. RAHAMAT BIVI YUSOFF

Director of Budget Management Division (Treasury), Ministry of Finance

Aged 58, YBHG DATUK DR RAHAMAT BIVI BINTI YUSOFF holds a Philosophy Doctorate (PhD-Economics) from Australia National University, MBA from Western Michigan USA, B.Soc.Sc (Hons) Economics from Universiti Sains Malaysia and Diploma in Public Administration from National Institute of Public Administration ("INTAN"). Appointed Director of Johor Corporation effective 1 February 2009 to represent the Federal Government. Currently the Director of Budget Management Division (Treasury), Ministry of Finance.

YBHG DATUK DR HARIS SALLEH

Businessman

Aged 62, YBHG DATUK DR HARIS BIN SALLEH is an MBBS holder from University of Malaya in 1975 and Royal College Of Obstetricians & Gynaecologists (London) in 1982. Appointed Independent Director of Johor Corporation effective 1 July 1997. Currently managing his private clinic in Muar (Klinik Haris @ Surgery). He is also Chief Executive Officer at *Perbadanan Bio-Teknologi and Bio-Diversiti Negeri Johor*.

ALFADZILAH BIN HAJI MAT ARIS

Secretary of Johor Corporation

Aged 39 years. He holds a Bachelor of Management (Technology) from University Technology Malaysia. He joined Johor Corporation since October 16, 1995. Appointed as Secretary of the Corporation on 1 July 2008. Now he holds the position of Deputy Manager, Corporate Office, Johor Corporation.

BOARD AUDIT COMMITTEE

BOARD AUDIT COMMITTEE

CHAIRMAN

1. YBHG DATUK DR HARIS BIN SALLEH
   Independent Director

MEMBERS

2. YBHG TAN SRI DATUK DR HADENAN BIN A. JALIL
   Independent Member

3. PUAN ZAINAH BINTI MUSTAFA
   Independent Member

SECRETARY

4. TUAN HAJI ABD RAZAK BIN HARON
   Senior General Manager
   (Group Corporate Assurance)

MANAGEMENT COMMITTEES

GROUP TOP MANAGEMENT COMMITTEE (TERAJU)

CHAIRMAN

1. YBHG TAN SRI DATO' MUHAMMAD ALI HASHIM
   President and Chief Executive

MEMBERS

2. YB DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR
   Managing Director
   KPJ Healthcare Berhad /
   Chairman, Induk Perjawatan Committee

3. TUAN HAJI AHAMAD BIN MOHAMAD
   Managing Director
   Kulim (Malaysia) Berhad /
   Chairman, Strategic Planning Committee

4. TUAN HAJI JAMALUDIN BIN MD ALI
   Managing Director
   QSR Brands Bhd / KFC Holdings (Malaysia) Bhd /
   Chairman, Corporate Synergy and Restructuring

5. TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
   Senior Vice President
   Finance and Corporate Services /
   Chairman, Group Finance Committee

6. TUAN HAJI ROZAN BIN MOHD SA'AT
   Senior Vice President
   Intrapreneur Development /
   Managing Director
   Sindora Berhad /
   Chairman, Intrapreneur Development Committee

7. TUAN HAJI AFM SHAFIQUL HAFIZ
   Managing Director
   Puteri Hotels Sdn Bhd /
   Chairman, Rehabilitation Committee

8. TUAN HAJI LUKMAN BIN ABU BAKAR
   Senior Vice President
   Corporate Business
   Waqaf An-Nur Corporation Berhad /
   Managing Director
   Johor Land Berhad

9. TUAN HAJI ABD RAZAK BIN HARON
   Senior General Manager
   (Group Corporate Assurance)

SECRETARY

10. PUAN SATIRA BINTI OMAR
    General Manager (Corporate Services)

MANAGEMENT COMMITTEES

GROUP REMUNERATION AND NOMINATION COMMITTEE

CHAIRMAN

1. YBHG TAN SRI DATO' MUHAMMAD ALI HASHIM
President and Chief Executive

MEMBERS

2. YB TAN SRI DATO' ARSHAD BIN AYUB
Independent Director

3. YB DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR
Managing Director
KPJ Healthcare Berhad /
Chairman, Induk Perjawatan Committee

4. TUAN HAJI AHAMAD BIN MOHAMAD
Managing Director
Kulim (Malaysia) Berhad /
Chairman, Strategic Planning Committee

5. TUAN HAJI JAMALUDIN BIN MD ALI
Managing Director
QSR Brands Bhd / KFC Holdings (Malaysia) Bhd /
Chairman, Corporate Synergy and Restructuring

6. TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
Senior Vice President
Finance and Corporate Services /
Chairman, Group Finance Committee

7. TUAN HAJI ROZAN BIN MOHD SA'AT
Senior Vice President
Intrapreneur Development /
Managing Director
Sindora Berhad /
Chairman, Intrapreneur Development Committee

8. TUAN HAJI AFM SHAFIQUL HAFIZ
Managing Director
Puteri Hotels Sdn Bhd /
Chairman, Rehabilitation Committee

SECRETARY

9. ENCIK IDHAM JIHADI BIN ABU BAKAR
Director
Pro-Corporate Management Services Sdn Bhd

GROUP HUMAN RESOURCE COMMITTEE

CHAIRMAN

1. YB DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR
   Managing Director, KPJ Healthcare Berhad

DEPUTY CHAIRMAN

2. TUAN SYED ALI BIN SYED AHMAD
   Group Human Capital Advisor
   Kulim (Malaysia) Berhad

MEMBERS

3. TUAN HAJI YUSOF BIN RAHMAT
   Managing Director, TPM Technopark Sdn Bhd

4. TUAN HAJI IBRAHIM BIN ABDUL SAMAD
   Senior General Manager, TPM Technopark Sdn Bhd

5. TUAN HAJI ABDUL MALEK BIN TALIB
   Managing Director, Damansara Assets Sdn Bhd

6. PUAN HAJAH AZIZAH BINTI AHMAD
   General Manager, Waqaf An-Nur Corporation Berhad

7. PUAN SATIRA BINTI OMAR
   General Manager (Corporate Services)

8. YB DATIN SABARIAH FAUZIAH BINTI JAMALUDDIN
   General Manager
   KPJ Damansara Specialists Hospital Sdn Bhd

9. TUAN HAJI JA'APAR BIN SAMAT
   Representative from JCorp Intrapreneur (M) Berhad ("JIMB")

10. PUAN HAJAH MARIANA BINTI SIDI
    Senior General Manager, Johor Land Berhad

11. ENCIK RAMLAN BIN JUKI
    Senior General Manager, Sindora Berhad

12. ENCIK MOKTAR BIN M. SALLEH
    Corporate Director
    Human Resource and Administrator
    Hospitality Division /
    Assistant Group Human Resource Advisor

13. PUAN SHARIFAH MUSAINAH BINTI SYED ALWI
    Deputy General Manager, Human Resource
    KFC Holdings (Malaysia) Bhd

SECRETARY

14. CIK HAJAH SUHANA BINTI SHUIB
    Deputy General Manager
    Human Resource and Administration Department

MANAGEMENT COMMITTEES

STRATEGIC PLANNING COMMITTEE

CHAIRMAN

1. TUAN HAJI AHAMAD BIN MOHAMAD
Managing Director
Kulim (Malaysia) Berhad

MEMBERS

2. YB DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR
Managing Director
KPJ Healthcare Berhad

3. TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
Senior Vice President
Finance and Corporate Services

4. TUAN HAJI ROZAN BIN MOHD SA'AT
Senior Vice President
Intrapreneur Development /
Managing Director, Sindora Berhad

5. TUAN HAJI LUKMAN BIN ABU BAKAR
Senior Vice President
Corporate Business
Waqaf An-Nur Corporation Berhad /
Managing Director
Johor Land Berhad

6. ENCIK MD SHAHRODIN BIN MD YUNOS
General Manager (Land Services)

7. PUAN SATIRA BINTI OMAR
General Manager (Corporate Services)

8. ENCIK AZLI BIN MOHAMED
General Manager (Finance)

9. ENCIK MOHAMAD MAZLAN BIN ALI
Deputy General Manager
Intrapreneur Development Unit
Intrapreneur Business Department

10. CIK HAJAH SUHANA BINTI SHUIB
Deputy General Manager
Human Resource and Administration Department

SECRETARY

11. PUAN NORISHAH BINTI MOHD SETH
Deputy General Manager
Intrapreneur Business Department

CORPORATE SYNERGY AND RESTRUCTURING COMMITTEE

CHAIRMAN

1. TUAN HAJI JAMALUDIN BIN MD ALI
   Managing Director
   QSR Brands Bhd / KFC Holdings (Malaysia) Bhd

MEMBERS

2. TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
   Senior Vice President
   Finance and Corporate Services

3. TUAN HAJI ROZAN BIN MOHD SA'AT
   Senior Vice President
   Intrapreneur Development /
   Managing Director
   Sindora Berhad

4. TUAN HAJI LUKMAN BIN ABU BAKAR
   Senior Vice President
   Corporate Business
   Waqaf An-Nur Corporation Berhad /
   Managing Director
   Johor Land Berhad

5. ENCIK MOHAMAD MAZLAN BIN ALI
   Deputy General Manager
   Intrapreneur Development Unit
   Intrapreneur Business Department

6. ENCIK IDHAM JIHADI BIN ABU BAKAR
   Director
   Pro-Corporate Management Services Sdn Bhd

SECRETARY

7. ENCIK AZLI BIN MOHAMED
   General Manager (Finance)

MANAGEMENT COMMITTEES

INVESTMENT REVIEW COMMITTEE (JAWS)

CHAIRMAN

1. ENCIK RAMLAN BIN JUKI
   Senior General Manager
   Sindora Berhad

MEMBERS

2. TUAN HAJI AHAMAD BIN MOHAMAD
   Managing Director
   Kulim (Malaysia) Berhad

3. TUAN HAJI AFM SHAFIQUL HAFIZ
   Managing Director
   Puteri Hotels Sdn Bhd

4. TUAN HAJI ROZAN BIN MOHD SA'AT
   Senior Vice President
   Intrapreneur Development /
   Managing Director
   Sindora Berhad

5. TUAN HAJI ABDUL MALEK BIN TALIB
   Managing Director
   Damansara Assets Sdn Bhd

6. ENCIK HALMI BIN JASMIN
   Group Managing Director
   Metro Parking (M) Sdn Bhd

7. ENCIK MD SHAHRODIN BIN MD YUNOS
   General Manager (Land Services)

8. ENCIK AZLI BIN MOHAMED
   General Manager (Finance)

9. ENCIK MOHAMAD MAZLAN BIN ALI
   Deputy General Manager
   Intrapreneur Development Unit
   Intrapreneur Business Department

10. ENCIK IDHAM JIHADI BIN ABU BAKAR
    Director
    Pro-Corporate Management Services Sdn Bhd

SECRETARY

11 PUAN MAZENAH BINTI HAJI ABU BAKAR
   Executive
   Corporate Office

EXECUTIVE COMMITTEE (EXCO)

CHAIRMAN

1. PUAN SATIRA BINTI OMAR
General Manager (Corporate Services)

MEMBERS

2. PUAN HAJAH AZIZAH BINTI AHMAD
General Manager, Waqaf An-Nur Corporation Berhad

3. TUAN HAJI MAZLAN BIN OTHMAN
Managing Director, Tanjung Langsat Port Sdn Bhd

4. ENCIK MD SHAHRODIN BIN MD YUNOS
General Manager (Land Services)

5. ENCIK AZLI BIN MOHAMED
General Manager (Finance)

6. ENCIK MOHAMAD MAZLAN BIN ALI
Deputy General Manager
Intrapreneur Development Unit
Intrapreneur Business Department

7. CIK HAJAH SUHANA BINTI SHUIB
Deputy General Manager
Human Resource and Administration Department

8. TUAN HAJI IBRAHIM BIN ABDUL SAMAD
Deputy General Manager, TPM Technopark Sdn Bhd

9. ENCIK MD ZIN BIN MD YASSIN
Deputy General Manager, Damansara Assets Sdn Bhd

10. PUAN WAN SU BINTI ALI
Senior Manager, Legal Department

11. ENCIK ALFADZILAH BIN HAJI MAT ARIS
Deputy Manager
Corporate Office

12. PUAN JULIAH BINTI YON
Manager
Corporate Communication Unit

SECRETARY

13. PUAN MAZENAH BINTI HAJI ABU BAKAR
Executive
Corporate Office

MANAGEMENT COMMITTEES

FINANCE AND INVESTMENT COMMITTEE (KEMUDI)

CHAIRMAN

1. ENCIK AZLI BIN MOHAMED
General Manager (Finance)

MEMBERS

2. ENCIK MD SHAHRODIN BIN MD YUNOS
General Manager (Land Services)

3. PUAN SATIRA BINTI OMAR
General Manager (Corporate Services)

4. PUAN NORISHAH BINTI MOHD SETH
Deputy General Manager
Intrapreneur Business Department

5. YM TUAN HAJI RAJA ROZHAN BIN RAJA JAAFAR
General Manager
Effective Corporate Resources Sdn Bhd

6. TUAN HAJI JA'APAR BIN SAMAT
Representatives from JCorp Intrapreneur (M) Berhad ("JIMB")

7. TUAN HAJI MOHD KORDI BIN BAKIN
Chief Financial Controller
Tanjung Langsat Port Sdn Bhd

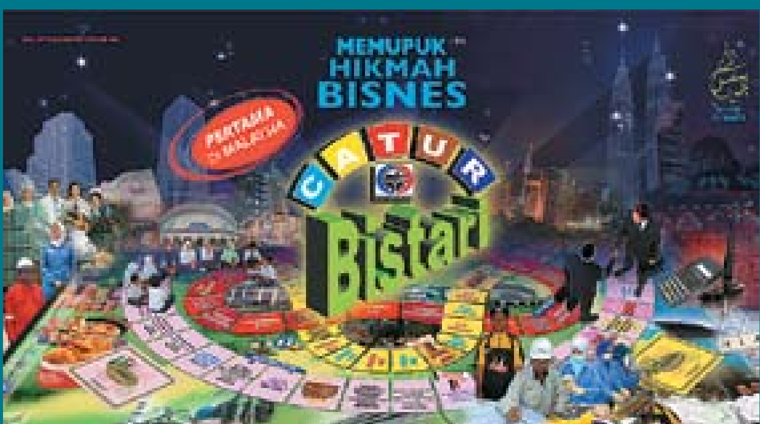
8. PUAN WAN SU BINTI ALI
Senior Manager
Legal Department

9. ENCIK MOHD BAHRIN BIN BAKRI
Manager
Damansara Assets Sdn Bhd

SECRETARY

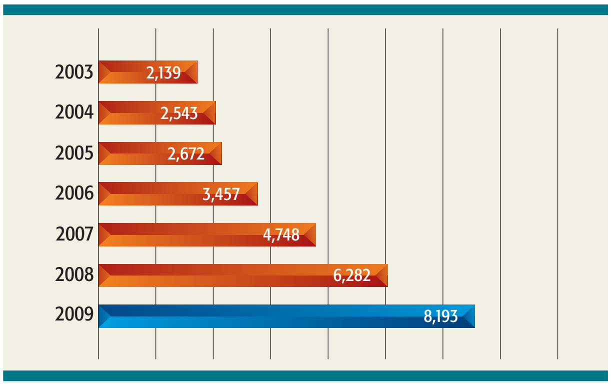
10. ENCIK ALFADZILAH BIN HAJI MAT ARIS
Deputy Manager
Corporate Office

SECTION 3
FINANCIAL HIGHLIGHTS

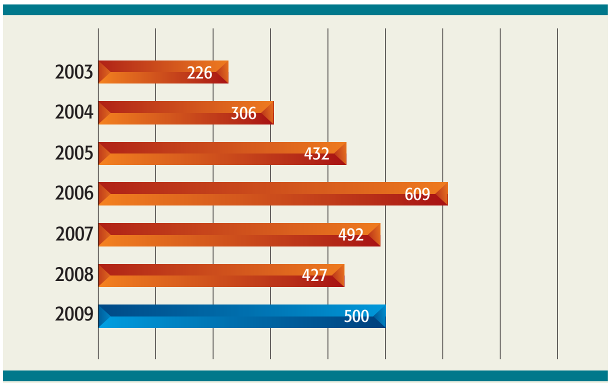


FINANCIAL HIGHLIGHTS 2003-2009

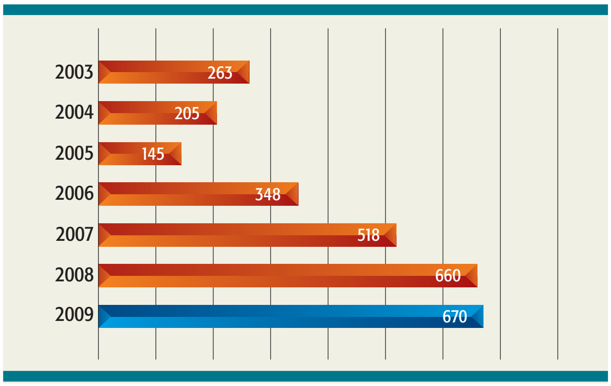
REVENUE (GROUP)
(RM Million)



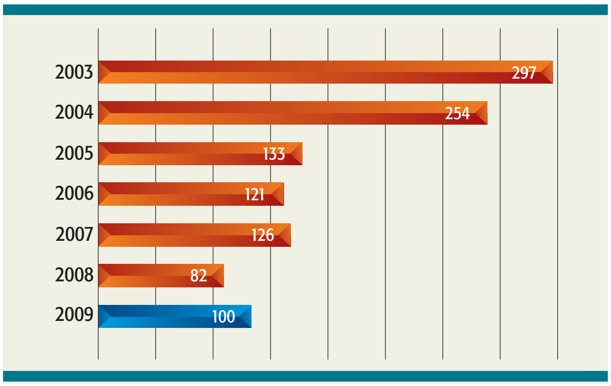
REVENUE (JCORP)
(RM Million)



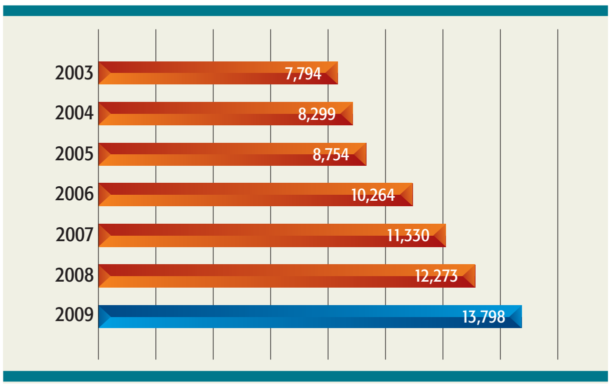
PROFIT BEFORE TAX (GROUP)
(RM Million)



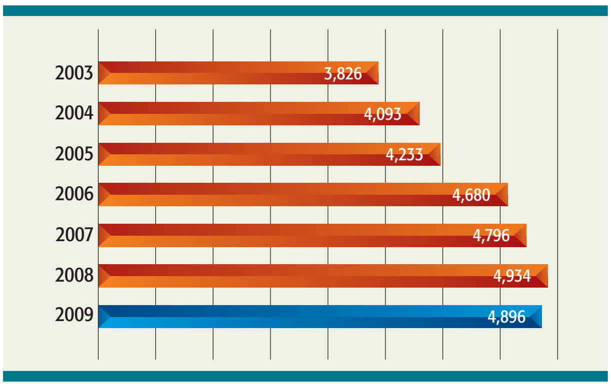
PROFIT BEFORE TAX (JCORP)
(RM Million)



TOTAL ASSETS (GROUP)
(RM Million)



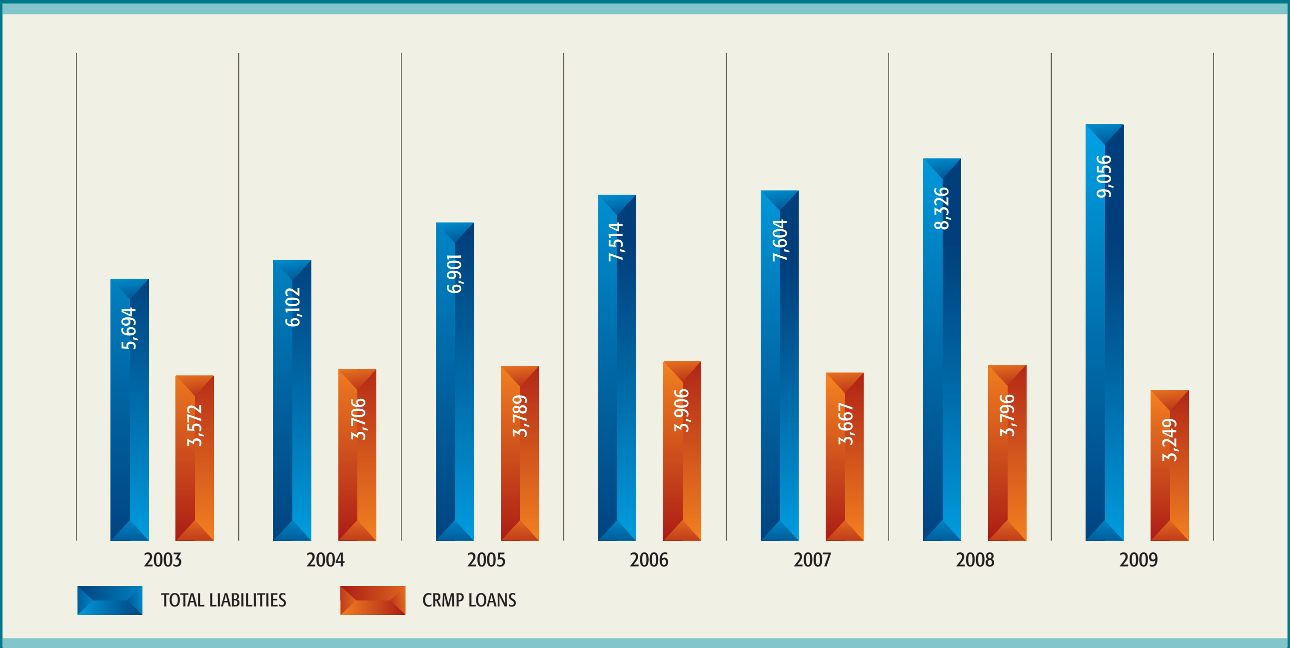
TOTAL ASSETS (JCORP)
(RM Million)



FINANCIAL HIGHLIGHTS 2003-2009
(RM Million)

	2003	2004	2005	2006	2007	2008	2009
GROUP							
REVENUE	2,139	2,543	2,672	3,457	4,748	6,282	**8,193**
PROFIT BEFORE TAX	263	205	145	348	518	660	**670**
PROFIT AFTER TAX	153	80	61	262	478	464	**446**
TOTAL ASSETS	7,794	8,299	8,754	10,264	11,330	12,273	**13,798**
TOTAL LIABILITIES	5,694	6,102	6,901	7,514	7,604	8,326	**9,056**
TOTAL EQUITY	2,100	2,197	1,853	2,750	3,726	3,947	**4,742**
JCORP							
REVENUE	226	306	432	609	492	427	**500**
PROFIT BEFORE TAX	297	254	133	121	126	82	**100**
PROFIT AFTER TAX	277	246	124	115	126	77	**99**
TOTAL ASSETS	3,826	4,093	4,233	4,680	4,796	4,934	**4,896**
TOTAL LIABILITIES	4,019	4,040	4,058	4,251	4,241	4,302	**4,165**
TOTAL EQUITY	(193)	53	175	429	555	632	**731**

TOTAL LIABILITIES (GROUP)
(RM Million)



SECTION 4
PROSPECTS

ECONOMIC REVIEW

THE MULTIPLIER EFFECT FROM THE FINANCIAL MELTDOWN IN THE U.S. CONTINUED TO DRAG ITS ECONOMY AND MOSTLY THE REST OF THE WORLD INTO THE WORST DOWNTURN IN A RECORD PERIOD. THE CONTRACTION IN THE WORLD BIGGEST ECONOMY WAS VERY SEVERE IN THE Q1 2009. BUT A SWIFT RECOVERY TOWARDS THE END OF 2009 LIFTED THE GLOBAL ECONOMY FROM A PROTRACTED DOWNTURN. THE SO-CALLED GLOBAL DEPRESSION FAILED TO MATERIALISE AS THE PERIOD OF CONTRACTION WAS SHORT-LIVED.

In the second half of 2009, global trading activities and production rebounded instantaneously on the back of favorable economic developments. This was reflected by US emergence from recession in Q3 2009 after four quarters of economic contraction. Escalating confidence in both financial and the real fronts were strongly supported by concerted efforts among major economies in providing accommodative fiscal and highly expansionary monetary measures.

Globally, major nations embarked on massive fiscal stimulus programs, providing broader support to the economy. While major economy notably the US, kept its federal funds rate at record level of 0-0.25% for more than a year until now in order to boost consumption. Simultaneously, big banks were injected billions in capital and their toxic assets were being bought over in the need to restore the health of global financial system. These were substantial contributing factors to the global economic recovery. The abundance of liquidity in low rate environment, escalating risk tolerance among investors and most significantly, earnings of US banks that came in ahead of expectations, had fuelled a global market rally.

Similarly, Malaysia started off the year 2009 on weak note as the local economy was not spared from the global turmoil. Malaysia's economy contracted by a hefty 6.2% in the first quarter of 2009, before the degree of contraction subsided to 3.9% and 1.2% in the following two quarters. Subsequently, the economy managed to escape from a protracted recession as it grew strongly by 4.5% in the final quarter. The contraction in local economy was reduced further for the whole period of 2009 to a mere 1.7%.

The performance of the local bourse continued to remain weak in Q1 2009 resulted from deterioration of global economic conditions in the preceding year. But as the global economy started to show signs of stability, global confidence and sentiment improved further. This was reflected by the global market rally within the rest of 2009 period. The Malaysian government had also reacted within the appropriate course of measures, ensuring that the contraction in the local economy did not intensify.

On the political front, smooth transition in Malaysian leadership provided some stability to the local scene. Further liberalisation in the economy as evidenced by the issuance of licenses for foreign financial institutions to operate in Malaysia and the lifting of 30% bumiputera equity requirement for listed companies in 27 services sub-sector were among the major catalyst in the local bourse.

CORE BUSINESS DIVISION

PALM OILS BUSINESS DIVISION

JCorp's Palm Oils Division spearheaded by Kulim (Malaysia) Berhad ("Kulim") aims to enhance and deliver value to stakeholders, optimise the use of resources, produce superior quality products, move closer to the consumer and be a socially and environmentally responsible corporate citizen. The Division is driven by "Vision 30:30": the target of raising fruit yields to 30 tonnes per hectare and Palm Product Extraction Rates ("PPER") to 30%.

The early part of 2008 witnessed a commodity boom that propelled Crude Palm Oil ("CPO") prices to RM4,450 per tonne in March that year. The boom however, turned to bust very rapidly, and prices spiralled downwards, spilling over into the first quarter of 2009. In 2009, palm oil prices traded quite widely with the highest monthly average CPO price recorded in May at RM2,744 and the lowest attained in January at RM1,842 per tonne. The local MPOB average CPO price in 2009 decreased by 19% to RM2,245 against RM2,778 per tonne in the previous year.

During the year under review, Kulim was awarded with several accolades; most notably Kulim's 2008 Annual Report received the Malaysian National Annual Corporate Report Award ("NACRA") 2009 under the following categories: Winner of Industry Excellence Awards (Main Board) – Plantations and Mining; and Silver Award for the Most Outstanding Annual Report. Kulim also collected the Gold Award in The Global CSR Awards 2009 for Environmental Excellence that was awarded by Pinnacle Group International, and the Malaysia Sustainability Reporting Awards ("MaSRA") 2009, as Winner of the Best First Time Reporter and Commendation for Reporting on Strategy and Governance.

New Britain Palm Oil Limited's ("NBPOL") West New Britain operations in Papua New Guinea ("PNG") and Kulim's Malaysian Operations were awarded the RSPO certification in late 2008 and January 2009 respectively. During the third quarter of 2009, the West New Britain operations in PNG underwent a surveillance audit for continued RSPO and ISO 14000 certification: the first combined audit of its type within the industry. In January 2010, Kulim's plantations and mills in Malaysia passed the first surveillance audit for continued RSPO certification. Work is also in progress at both Ramu Agri-Industries Limited ("Ramu") and Guadalcanal Plains Palm Oil Limited ("GPPOL") in the Solomon Islands ("SI") for RSPO certification. Likewise the Malaysian plantations are also embarking on the certification audit for oil palm estates and mills belonging to JCorp.

The Division undertook several corporate exercises in 2009. The Malaysian Palm Oils Division rationalised its holdings with an estate swap of Sg. Simpang Kiri Estate with Sime Darby Plantations Sdn Bhd's Sg. Tawing Estate. The exchange came about by way of a mutual understanding between the two parties of the potential rationalisation benefits that could be gained in terms of location. On 1 September 2009 the swap was physically completed.

On 24 February 2010, NBPOL made an announcement to the London Stock Exchange ("LSE") that it had entered into a Share Purchase Agreement to acquire 80% of the shares in CTP ("PNG") Limited ("CTP PNG") at a price of USD175 million from CTP Holdings Pte Limited. The acquisition adds over 25,000 hectares of established and producing oil palm plantations in PNG covering three estates and five palm oil mills to the Division.

The construction of NBPOL's Palm Oil Refinery in Liverpool, UK, is progressing well and production is expected to commence on time in the second quarter of 2010. The refinery will have a dedicated supply source from the Division's certified sustainable plantations.

In terms of oil palm plantations operations, the Division produced a total of 1,953,698 tonnes of Fresh Fruit Bunches ("FFB") in 2009 compared to 1,830,259 tonnes in 2008, an increase of 6.7% contributed mainly by the higher production in PNG and SI. The Division's palm oil mills processed a total of 2,771,254 tonnes of FFB in 2009, an increase of 10.2% compared to 2,514,392 tonnes in 2008 following the improvement in production of own estates as well as higher purchases from external suppliers in Malaysia and outgrowers in PNG and SI. In turn, a total of 594,658 tonnes of CPO and 152,277 tonnes of PK were produced in 2009, an improvement of 9.7% and 7.2% respectively, compared to the level produced in 2008.

In Malaysia, the Division recorded a total of 913,872 tonnes of FFB production in 2009 (2008: 1,003,786 tonnes), a reduction of 9.0%. The lower yield is believed to have mainly caused by the dry weather that created moisture stress that affected bunch formation and size which led to fewer bunches and a lower average bunch weight. Production from PNG and SI operations recorded an increase of 21.4% with a total of 1,039,826 tonnes FFB were harvested compared to 856,556 tonnes the previous year, reflecting continuous improvement in terms of the fields' productivity, in line with improving age profile and the full year contribution from Ramu. The inclusion of Ramu has also added to the Division's agricultural mix some 35,000 hectares of green pasture for cattle and sugarcane plantations.

CORE BUSINESS DIVISION

In 2009, the Division recorded a higher Oil Extraction Rates ("OER") of 21.46% as compared to 21.16% in 2008, whilst Kernel Extraction Rates ("KER") increased slightly to 5.49% from 5.48% in the previous year. The total PPER improved to 26.95% (2008: 26.64%). The Malaysian mills recorded a significant improvement in OER to 19.94% in 2009 from 19.16% in 2008 while KER also improved to 5.99% from 5.76% in 2008. OER at PNG mills were affected in the early part of 2009 by delays in transport and harvesting as production at times exceeded processing capacity. Unfortunately, the expansion of Kumbango Palm Oil Mill was not completed until after the peak cropping season causing severe strain on all operations. The end result for PNG was an average OER of 22.96%, a slight decrease from 2008 of 23.36%. Processing of CPO at the Kumbango Refinery remains demand driven, meeting international customers' requirements, and production for local sales continues to be well focused.

The Malaysian plantations operations achieved CPO and Palm Kernel ("PK") average selling prices of RM2,164 and RM1,048 per tonne in 2009, compared to RM2,548 and RM1,551 per tonne in 2008, respectively. This was in line with the global trend for CPO prices. A similar downward trend in CPO price was experienced by our PNG and the SI operations. In 2009, the average CPO price secured was USD710 versus USD926 per tonne in 2008.

The revenue contribution from Kulim's plantations operations declined by 6%, posting revenues of RM1.62 billion in 2009 versus RM1.72 billion in 2008 mainly due to lower average price fetched for CPO during the year as compared to last year. The revenue composition of Kulim's plantation operations remained unchanged from the previous year with 69% contributed by PNG and SI and 31% from Malaysia. The revenue contribution from Kulim's Malaysian operations was 9% lower in 2009 compared to 2008. The declining price trend in 2009 equally affected the plantation operations in PNG and SI. In the current year, despite an increase in production as a result of the full year consolidation of Ramu, NBPOL posted a 7% decrease in revenue. This was mainly due to a lower average CPO price of USD710 per tonne in 2009 as compared to USD927 in the previous year.

In line with the drop in revenue, the operating result from Kulim's plantations operations suffered a 36% contraction in 2009 to RM365.17 million from RM568.01 million in 2008.

The oleochemicals sector led by Natural Oleochemicals Sdn Bhd ("NatOleo") faced what was acknowledged by many as one of the toughest years for the oleochemicals industry. The year under review followed hard on the heels of a period of extreme volatility and softening of product demand in the global oleochemicals industry that began in the second half of 2008. The first half of 2009 saw an almost paralysed market causing demand for basic oleochemicals to plunge. Conditions remained dismal through the first half with a mild recovery starting to flow in the last quarter of the year. In 2009, NatOleo's revenue dropped by RM434.96 million, or 28% against the previous year, to RM1,104.42 million. The lower sales volume resulted from the drop in product sales prices. A slightly higher sales volume was negated by the weakening of the USD exchange rate. As a result, NatOleo posted an operating loss of RM20.62 million for 2009, a drop of 162% as compared to RM33.22 million profit in 2008. The operating loss margin was severely impacted from the fall in selling prices, mainly for the fatty acids and glycerine products which declined by 305% and 62% respectively.

A contract to supply 29,000 tonnes of biodiesel to a major oil company was completed in 2009. In addition, the commissioning of a new glycerine refining plant at Tanjung Langsat was completed, with commercial production commencing in August 2009.

CORE BUSINESS DIVISION

FOODS AND RESTAURANTS DIVISION

On 2 January 2009, QSR Brands Bhd ("QSR") acquired a further 865,000 shares in KFC Holdings (Malaysia) Bhd ("KFCH"), increasing its total holding to 50.25%. This landmark event made KFCH a subsidiary company giving QSR majority control. With this control, the management has the capability to plot the company's course from a position of ownership security and operational stability.

For the year under review, revenue of Pizza Hut Malaysia increased by RM18.06 million, or 5%, to RM369.78 million from RM351.72 million in 2008. This increase was attributable to the network expansion of 21 new restaurants contributing to net incremental sales of RM33.2 million. Pizza Hut Singapore, however achieved net sales of RM165.99 million, a reduction of RM10.18 million, or 6%, on 2008.

As at 31 December 2009, Pizza Hut Malaysia operated 208 restaurants nationwide whilst Pizza Hut Singapore operated 50 restaurants. Pizza Hut remains keenly aware of the need to offer customers a wide range of new products, special launches, and innovative promotions. In the face of the economic gloom, a concerted effort to rebrand Pizza Hut as a value destination defined many of the marketing initiatives carried out during 2009.

Pizza Hut Malaysia held in-store promotions such as 'Get More, Pay Less!' and 'Pay A Little Get A Lot!' while the Home Service section launched the HOT Pair Deals in conjunction with the successful Hot Campaign. Demonstrating an innovative streak, Pizza Hut launched a nationwide new delivery feature to boost consumer convenience. The Delivery Service with Wireless Credit/Debit Card Payment Facility involves delivery employees carrying portable credit card swipe machines with them on their rounds, allowing customers to pay for their pizzas with a credit or debit card. Pizza Hut was recognised by the Malaysia Book of Records as being the first pizza delivery service in the country to offer such service.

Another innovative, revenue-generating venture from Pizza Hut Malaysia that began operations in 2009 was the 'Hot on Wheels' mobile kitchen that travels across the country providing oven hot pizzas at outdoor functions and events. The results have been very encouraging so far with the two mobile kitchens in operation having delivered sales of over RM700,000. At the Dine-In level, the 'Value Layer' approach to product offerings continued. This was typified by the success of the 'Sensasi Delight' promotion in Malaysia, which was so popular that four different launch waves were carried out through the year.

QSR expanded its KFC network with 49 new restaurants including five openings in Cambodia. KFC now operates a total of 475 restaurants in Malaysia and 77 restaurants in Singapore. QSR took a significant step in terms of international exposure when KFCH signed a Memorandum of Agreement with Yum! India to operate KFC restaurants in Mumbai and Pune. This strategic foothold in Mumbai and Pune is expected to spearhead our restaurant operations and other business investments and activities in India.

Both KFC Malaysia and KFC Singapore held successful product launches and exciting promotions during 2009. In Malaysia the new 'Jom Jimat' value meal, which provided a full meal plus a drink, proved so popular that it is now a permanent item on the menu. In Singapore, the 'Ultimate Value Box' was equally popular and almost immediately rated as one of our best-sellers. KFC Brunei launched a thematic campaign, 'Good things come together with KFC,' to connect with customers in an intimate, emotional and personal way. By the end of the year, KFC Brunei was operating nine restaurants across the country, inclusive of one new store opening.

KFC's catering division was restructured during the year into a new revenue stream by its corporatisation under the name of KFC Events Sdn Bhd. The company provides onsite catering at corporate events of all sizes, and has already served a host of big clients including Telekom Malaysia, Tenaga Nasional and Toyota Malaysia.

In 2009, RasaMas opened another six new restaurants in Malaysia and one in Brunei, bringing the total to 43. Performance was affected by the weak economic climate but a marked increase in brand awareness and customer numbers in 2010 is anticipated due to the success of our 'Syoknya RasaMas Roaster Cook-Off' reality television cookery contest.

CORE BUSINESS DIVISION

Kedai Ayamas continued the drive to expand the Kedai Ayamas product range. Six new chicken products were launched including 'Crispy Fried Tom Yam Chicken,' 'BBQ Combo,' 'Chicken Frankfurters' and 'Chicken Nuggets.' Four new Bakers' Street products were also introduced to the market, namely 'Karipap Ayam,' 'Samosa,' 'Kasturi' and 'Donat.' As of 31 December 2009, we added 10 new Kedai Ayamas stores in Malaysia, bringing the total to 35 across the country.

KFC Marketing, which manages the sales and marketing side of the Integrated Poultry Operations, launched a strategy targeted at the lower socio-economic sections of Malaysian society, called Base of Pyramid ("BOP") with the introduction of a new range of products called 'Jimat Ayamas.' This value-price product range is made up of further processed products including chicken balls, nuggets and frankfurters amongst others.

A new strategic approach to reach further into the Malaysian marketplace called 'Sudut Ayamas' involved the placement of chest freezers, which are fully stocked with Ayamas products, and other Group products, into retail establishments all over Malaysia. The 'Sudut Ayamas' freezers are fully branded and are designed to grab the attention of consumers as they browse through the shops.

During the year under review, the Feedmill business produced 131,000 tonnes of feed, against 128,000 tonnes in 2008. The slight increase in feed tonnage produced was due to higher broiler production to meet the division's increased chicken demand. At the Breeder Farms & Hatchery the production of day old chicks rose to 36 million in 2009, up one million from 2008's production. Hatching eggs production saw a rise to 45.5 million from 2008's 45.3 million, a slight increase of approximately 3%. These relatively constant rates were due to the facilities operating at full capacity.

A winning combination of strategic management decisions, dedicated staff and the continued expansion of the the QSR Group restaurant network have resulted in another record year of revenue growth. In 2009, QSR Group recorded revenue of RM2,760.3 million, representing an increase of 418% over 2008's RM532.8 million whilst profit before tax was recorded at RM230.3 million against RM97.7 million achieved in the prior year. The quantum leap in revenue and profit before tax for the current year is due to the full year inclusion of KFCH.

Halal compliance is one of the cornerstones of QSR's business. It is integral to the present success and future expansion of QSR Group's of companies. The Group's commitment to Halal compliance is not just internal, there is regular participation in third party forums, sponsorship of trade conventions and contributions to think tanks, all associated with the promotion and improvement of Halal initiatives. This commitment will inspire confidence in the consumer market allowing present and future customers to trust in the quality and source of food served.

QSR's Shariah and Halal Compliance Department conducts strict Halal audit controls across each subsidiary and business units. The audits cover all raw materials, manufacturing processes, incoming supplies and packaging. Unwavering efforts are made to avoid cross-contamination during the storing, handling, preparation, packaging and transportation of the products.

QSR has its own Shariah Advisory Council, made up of learned Islamic scholars from reputable institutions. This impartial body oversees the Group's adherence to Halal compliance by reviewing internal food management systems, inspecting restaurant and plant premises and ensuring the ingredients pass the stringent standards. In addition, the Council will also ensure that the products are Halal certified by Jabatan Kemajuan Islam Malaysia ("JAKIM").

Looking forward, QSR Group's long-term business strategy will focus on enhancing the existing approach of brand development while expanding size and capabilities. The Group envisages being the largest integrated food services group in the Asia-Pacific region with a focus on consistent quality products and exceptional customer-focused service.

A key component of the Group's success has been restaurant expansion and in 2010 this strategy is to be continued in Malaysia, Singapore, Cambodia and Brunei by opening at least 70 new Pizza Hut, KFC, RasaMas and Kedai Ayamas restaurants. In India, the Group expects to open 12 new KFC restaurants across Mumbai and Pune, presenting access to consumers of the world's second most populous country.

Running parallel to restaurant expansion is the push for restaurant image enhancements for the older establishments. The Group recognises that consumers demand heightened levels of comfort and ambiance. A total of 50 Pizza Hut and KFC restaurants are scheduled to be revamped and refreshed in 2010. Image enhancement not only serves to improve brand experience for existing consumers but also attract new ones.

Projects such as 'Sudut Ayamas', 'Usahawan Bistari', 'Roti Impit' and the Intrapreneur Scheme generated increased revenue for QSR while diversifying the risk exposure. The momentum will be sustained by launching new variations, products and ventures to increase penetration in existing markets.

During these turbulent economic times, the QSR has remained faithful to the principles that have made it the region's largest restaurant chain, complemented by strategies such as new product development, restaurant expansion and cost saving initiatives. The ongoing investment has contributed to QSR achieving record results once again, and will create further value and growth. The Quick Service Restaurant Division has proved its sustainability and endurance and is looking forward to even better results in the future.

CORE BUSINESS DIVISION

HEALTHCARE DIVISION

KPJ leads the Malaysian private healthcare industry with a network of 20 hospitals that span the length and breadth of the country. These hospitals are supported by a number of subsidiary companies providing ancillary pharmaceutical, laboratory and laundry services. Regionally, KPJ continues to manage 2 hospitals in Jakarta, including RS Bumi Serpong Damai, which started operations in December of 2009. The Group continues to be actively involved in the medical education sector through the KPJ International College of Nursing and Health Sciences.

As at end-2009, KPJ has 680 medical consultants offering a full range of medical and surgical services from all disciplines. The 4,490 nursing and allied health staff, from a total staff of 7,000 ensures the delivery of efficient quality services to the Group's customers.

To support KPJ's strong foundation in Human Capital, high importance is placed upon good quality systems and processes. As at December 2009, six of KPJ's hospitals have been awarded MSQH accreditation, with 12 more hospitals in the group heading towards accreditation. KPJ Ampang Puteri Specialist Hospital recorded a groundbreaking achievement when it became the first hospital in Malaysia to attain the full three-year Accreditation for four consecutive cycles, in 2009. To further amplify KPJ's commitment towards quality and excellent standards, all KPJ hospitals have implemented the 7 Patient Safety Goals that were introduced by the World Health Organisation to ensure patients' safety at all times.

The accreditation and Patient Safety Goals are in addition to various other quality achievements and benchmarks earned by KPJ hospitals, such as MS ISO 9001:2000, ISO 14001, ISO/IEC Guide 62:1996, OHSAS 18001, SIRIM Quality System, Hazard Analysis Critical Control Points for Food Safety and the Integrated Management System for quality, environmental safety and health management. The ultimate goal is to ensure quality services for all patients and customers wherever KPJ operates.

KPJ is also reinforcing its commitment towards delivering healthcare services of high quality that are on par with international standards through the initiative 'Service Excellence – the KPJ Way'. This programme will significantly enhance KPJ's customer service by ensuring a uniformed framework for communications and interactions throughout the Group.

KPJ's commitment towards quality has earned the group much recognition over the years. In 2009, KPJ Ampang Puteri Specialist Hospital and KPJ Damansara Specialist Hospital received such recognition at the Asia Pacific Super Excellent Brand Awards, which were presented by the Asia Entrepreneur Alliance Worldwide to organisations that produced high quality services throughout the region. KPJ Damansara Specialist Hospital also had the honour of being a recipient of the first and only 'Malaysia Independence Awards 1957' in 2009. The awards acknowledged contributors to nation-building and were given in conjunction with the 52nd year of Malaysia's independence. KPJ Ampang Puteri Specialist Hospital in 2009 was further recognised at the ASEAN Business Awards under the Corporate Social Responsibility category for its charitable efforts towards the community in the previous year.

KPJ's previous achievements and milestones have provided the platform for further growth and expansion. While KPJ has continued to record organic growth from existing operations over the years, many new areas of growth have been identified and initiated to ensure the advancement of continuous care. Thus the official opening ceremony of Kuching Specialist Hospital on 11 March 2009 further demonstrated this advancement by KPJ. The ceremony was graced by the Chief Minister of Sarawak, YAB Pehin Sri Haji Abdul Taib Mahmud. Also, on the 1st of August 2009, KPJ opened its new KPJ Penang Specialist Hospital in Bandar Perda, Bukit Mertajam, to serve the northern region. The ceremony was officiated by the Tuan Yang Terutama Negeri Pulau Pinang, Tun Dato' Seri Utama (Dr.) Haji Abdul Rahman bin Haji Abbas. Additionally, a number of new hospitals were acquired and developed in 2009 to extend KPJ's services to other cities and towns, namely Bandar Baru Klang in Selangor, Tanjung Lumpur in Pahang, Pasir Gudang as well as Muar in Johor.

Supporting KPJ's advancement of continuous care is the KPJ International College of Nursing and Health Sciences ("KPJIC"), which was set up in 1991. Since its formation, the College has produced more than 3,200 nursing and other allied health professionals. Nurses working in KPJ's hospitals are regularly assessed on theory and practice to ensure their continued competency. KPJIC offers nursing degrees in collaboration with overseas universities, namely

CORE BUSINESS DIVISION

The developments and initiatives have resulted in a growth in the number of outpatients treated in KPJ's network of hospitals, from 1,956,303 in 2008 to 1,978,669 in 2009. The number of inpatients also saw an increase from 196,291 in 2008 to 206,907 in 2009. Such sterling performance gave KPJ a profit-before-tax of RM 143.89 million on a turnover of RM 1.46 billion in fiscal year 2009. Its strong financial performance, network expansion and growth potential helped KPJ's share price soar to a historic high of RM6.51 at end-2009, raising its market capitalisation to RM1.37 billion and elevating KPJ into the list of Malaysia's Top 100 Companies on Bursa Malaysia. As at 31 December 2009, the Group was ranked 91st out of 100 companies by market capitalisation.

University of South Australia, Liverpool John Moores University (UK) and University of Hertfordshire (UK). The success of these collaborative efforts has motivated the College to apply for university status. In anticipation of increasing enrolments in the future, plans are underway to expand the College's campus in Kota Seriemas, Nilai, Negeri Sembilan, with the purchase of 6.8 hectares of adjacent land. A branch will be set up in the northern region to complement the one that was opened in Johor Bahru, Johor. KPJIC will eventually be able to train 10,000 nurses and allied health students, possibly making it one of the region's largest nursing and health sciences educational centre.

In 2009, the Health Ministry identified 36 private hospitals in the nation to promote healthcare travel and among those certified were KPJ Johor Specialist Hospital, KPJ Ampang Puteri Specialist Hospital, KPJ Damansara Specialist Hospital, KPJ Ipoh Specialist Hospital, Puteri Specialist Hospital, Tawakal Hospital, KPJ Selangor Specialist Hospital and Sentosa Medial Centre. KPJ, being a leader in its field and with a presence regionally, is set to capitalise further on this business opportunity through the positioning of the KPJ brand in the global market. The Government's active support of medical travel is certainly benefiting KPJ in the goal of exporting expertise and services globally.

AL-'AQAR KPJ REAL ESTATE INVESTMENT TRUST (REIT)

KPJ had already scored a number of first in the capital market with the launch of it's Al-'Aqar KPJ REIT in 2006.With the launch, The Group was the first healthcare organisation in Malaysia to set up a REIT. Al-'Aqar was the first healthcare REIT in Asia, the first global Islamic REIT and the first Islamic healthcare REIT.

At end December 2008, KPJ had been able to unlock total assets worth RM 651.1 million through two injection exercises, initially with six hospitals and then five hospitals. The third injection was completed in September 2009, which unlocked a further RM292.0 million worth of assets from nine properties-Seremban Specialist Hospital, Taiping Medical Centre, Damai Specialist Hospital in Kota Kinabalu, Bukit Mertajam Specialist Hospital, KPJ Penang Specialist Hospital, the current Tawakal Hospital and the new KPJ Tawakal Specialist Hospital.

Plans are underway for a fourth exercise. This will comprise the Kluang Utama Specialist building, Bandar Baru Klang Specialist Hospital building as well as the Rumah Sakit Bumi Serpong Damai building in Jakarta, Indonesia.

The REIT was launched to enable the Group to capitalise on the assets value and use the proceeds to reduce overall gearing. This key strategic initiative also provides KPJ with a distinct competitive advantage.

CORE BUSINESS DIVISION

INTRAPRENEUR VENTURE DIVISION

Sindora Berhad ("Sindora") Group of companies represents the major vehicle and thrust of the IV Division's objectives of identifying and nurturing start-up companies from an idea to full commercialisation of innovative products and services. Sindora has taken and will continue to take an aggressive stance in seeking out potential businesses to become part of its IV stable of companies. The concept is noteworthy as a novel, market-driven approach in developing entrepreneurial talent that is in tandem with Sindora's strategic direction to strengthen its corporate growth prospects going forward.

Through the IV concept, start-ups to already profitable and viable business enterprises are offered opportunities that allow them to leverage their growth by capitalising upon Sindora's formidable network as a public listed entity. They then enjoy access to expert consultancy, policy advice, funding, apart from technical and information services to enhance their products or services and extend their corporate reach.

A strategic priority is to acquire a majority interest in the selected intrapreneur companies so that they are taken under Sindora's wing as subsidiaries. Sindora has adopted harvest and exit strategies to realise and maximise returns on its investment when opportunities arise. The proceeds from the harvest and disposal are ploughed back to finance future acquisitions of vibrant and profitable companies. IV is synonymous with Sindora's corporate identity and defines its future corporate growth and success

The Sindora Group's continued strong financial performance underscores the key measure of the success: delivering value to all its stakeholders. The Group's record profitability was earned amidst an environment of global financial and economic turmoil and intense competition domestically and internationally.

The Intrapreneur Ventures Business growth was mostly driven by mergers and acquisitions ("M&A") initiatives while Plantation Business' strategic decision to exchange its Ladang Sungai Simpang Kiri ("LSSK") with Sime Darby Plantations Sdn Bhd's ("SDP") Ladang Sungai Tawing ("LST") has enabled the Group to gain better returns in terms of production yield and extraction rate due to the prime age profile of oil palms and cost effectiveness arising from close vicinity to the processing mill.

These developments and strategies had enabled the Group to achieve stellar performance in its history with a pre-tax profit record of RM46.0 million.

In 2009, EA Technique (M) Sdn Bhd ("EA Technique"), the vehicle for the Group's new core shipping business, was nurtured and expanded through acquisition of Orkim Sdn Bhd ("Orkim"), a shipping company which is synergistic and complementary, for EA Technique to emerge as one of the leading shipping companies in the clean product tanker category. Sindora has also nurtured its subsidiaries, namely Pro Office Solutions Sdn Bhd ("Pro Office"), Metro Parking (M) Sdn Bhd ("Metro Parking") and EPASA Shipping Agency Sdn Bhd ("Epasa") through improvement in operations, expansion of existing businesses and entrance into new viable business activities.

In the year under review, Sindora has also taken a bold move in executing harvesting strategies through divestment of its investment in Willis (M) Sdn Bhd and AmanahRaya JMF Asset Management Sdn Bhd.

Sindora Group achieved favourable results for the financial year ended 31 December 2009. Despite a slight decrease in revenue by 4.2% from RM351.2 million to RM336.5 million, profit before tax of the Group expanded remarkably by 34.6% to RM46.0 million from RM34.2 million in 2008. Net profit attributable to shareholders grew from RM21.2 million in 2008 to RM43.8 million in 2009, an improvement of 107.2%. Consequently, earnings per share improved from 22.1 sen in 2008 to 45.7 sen in 2009 with return on equity reaching 19.3% as compared to 11.1% in 2008.

The Sindora Group's balance sheet continued to strengthen at a strong pace, with total assets expanded by RM120.0 million or 23.2% in 2009 standing at RM637.6 million as compared to RM517.6 million in the previous year. The substantial hike was due to an increase in book value arising from the exchange of LSSK with LST and purchase of new vessels and mooring boats by EA Technique.

In 2009, outstanding performance was witnessed in a subsidiary, Pro Office Solutions Sdn Bhd and an associate company, Tepak Marketing Sdn Bhd with a record PBT of RM3.5 million and RM1.8 million respectively. Despite the decrease in pre-tax profit of EA Technique compared to 2008, the company contributed the highest portion of the Intrapreneur Venture Business' bottomline at RM7.8 million.

The strategic move taken by the Group to exchange its LSSK with LST beginning 1 September 2009 has resulted in the Group recording an extraordinary profit of RM38.4 million. This has enabled the Plantation Business to register higher profit of RM50.7 million, compared to RM26.6 million in the previous year, a hike of 90.6%.

SUMMARY OF CONTRIBUTION BY SEGMENT

	2009 (RM'000)		2008 (RM'000)	
SEGMENT	Revenue	Profit	Revenue	Profit
Intrapreneur Venture	225,851	1,416	223,622	17,882
Plantation	110,629	50,713	127,571	26,572
TOTAL	**336,480**	**52,129**	**351,193**	**44,454**

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2009 witnessed a challenging year for the global economy and the IV Business was not spared from its impact especially on its ability to contribute to the Group's bottomline. Business generally became more competitive and the cost of doing business has increased. Even though it is able to sustain its revenue contribution that has slightly increased to RM225.9 million in 2009 from RM223.6 million in 2008, the IV segment registered a smaller profit of RM1.4 million. This was mainly due to the unfavourable performance of Metro Parking Group and Sindora Timber Sdn Bhd which had registered losses, though mitigated by counter measures undertaken by the management.

EA Technique and Epasa were still able to record commendable results despite being strongly challenged in the year under review. However, the most outstanding company in the IV Business in 2009 was Pro Office Solutions Sdn Bhd with a record profit of RM3.5 million. This showed that the diversified business model of IV was able to balance and cushion the worst impact of the economy ups and downs.

The overall financial performance of the Intrapreneur Venture companies for 2009 is summarised as follows:

Intrapreneur Venture Companies	Revenue (RM '000)	Profit Before Tax (RM '000)	Profit After Tax (RM '000)	Return on Equity (%)	Net Tangible Assets / Share (sen)
EA Technique	71,588	7,808	6,682	6.9	2.2
Metro Parking	108,546	(2,246)	(3,497)	(319.9)	0.6
Pro Office	31,594	3,531	2,527	27.6	9.2
Epasa	8,369	748	554	24.4	4.5
Sindora Timber	5,633	(4,570)	(4,605)	(23.0)	(4.0)
GranuLab	74	(599)	(599)	(43.8)	0.5
Tepak	20,565	1,838	1,461	26.5	6.9

The acquisition of Orkim, an owner and operator of tankers, will enable EA Technique to increase its fleet of tankers and gain a direct network connection to other oil majors. Orkim's first two brand new 7,000 dwt vessels were delivered in the first quarter of 2010 and the other five vessels with a combined carrying capacity of 44,000 dwt are expected to be delivered and operational on a staggered basis latest by the end of 2010. Upon delivery of all the tankers under construction, EA Technique and Orkim will have a total combined fleet of 24 tankers and support vessels with a total 145,000 dwt carrying capacity, almost 10 times bigger than the 15,000 dwt carrying capacity when Sindora first acquired EA Technique in late 2006.

Other than increasing the carrying capacity, the acquisition of Orkim and construction of new vessels by EA Technique will enable the company to fast track its vessels' rejuvenation programme. The move will significantly reduce the average vessels' age owned by the division from the present eleven years to five years. By the end of 2010, 11 out of 14 tankers operated by EA Technique will be double-hulled tankers. This would allow the Group's shipping arm to achieve better economies of scale which will allow it to be more cost effective, thus, gaining a competitive edge and emerging as one of the local premier service providers in the clean product tanker category.

EA Technique was not spared from the global economic turmoil that had also taken its toll on the shipping industry. The oil and gas industry slowed down as global energy giants decreased their exploration and production work in many parts of the globe. A number of EA Technique's vessels operating under *spot charters* suffered losses due to weak market contract rates. Despite the significant impact of the market's lower charter rates, the company was still able to register a commendable financial performance in 2009 as a majority of EA Technique's vessels are on long-term charters. The company registered revenues and PBT of RM71.6 million and RM7.8 million respectively in 2009 compared with RM81.5 million and RM11.1 million in 2008, a decrease of 12.2% and 29.5% respectively.

INTRAPRENEUR VENTURE AS THE PERFORMANCE GROWTH DRIVER OF INTRAPRENEUR VENTURE COMPANIES

E.A. Technique (M) Sdn bhd

The shipping activities steered by EA Technique have been designated as a strategic business and play a pivotal role in charting the future growth of the Division. The company has initiated steps to expand its business dimensions through internal growth involving the construction of new vessels, the acquisition of Orkim in May 2009 as well as involvement in ship building and ship repairs.

The deliveries of two new 10,000 dwt oil tankers/vessels, constructed in China at a total cost of RM130.0 million were made in April and May 2010. Another RM65.0 million tanker constructed by Johor Shipyard and Engineering Sdn Bhd ("JSE"), a wholly owned subsidiary of EA Technique, is expected to be delivered in third quarter 2010. EA Technique has also constructed four new mooring boats costing RM8.0 million, of which two units were delivered to Sg Udang Port, Melaka in September 2009 while another two units to Kertih Port, Terengganu in April 2010. Upon the delivery of all these new vessels, EA Technique will own 17 vessels with a carrying capacity of exceeding 86,000 dwt and secured contracts worth above RM500 million.

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In its fleet renewal plan and in line with the requirement imposed by the International Maritime Organisation ("IMO") that ship owners operate only double-hull tankers by the end of 2010, the company will gradually dispose of its aging and single-hull tankers. Accordingly, EA Technique had disposed off its aging tanker, MT Nautica Segamat, a liquid petroleum gas carrier, in the fourth quarter of 2009 for a total cash consideration of USD4.2 million (RM14.4 million). The disposal had enabled EA Technique to register a gain of RM1.3 million and improve operational efficiency and company's working capital requirement.

EA Technique's total fleet size of vessels including ships under construction are as follows:

Table : Fleet of vessels owned by EA Technique Group

Name of vessels	Type of vessels	Year built	DWT
A. Vessels in Operation			
M.T. Nautica Mersing	Tanker	1986	3,042
M.T. Nautica Pontian	Tanker	1989	3,747
M.T. Nautica Kluang	Tanker	1992	3,298
M.T. Nautica Johor Bahru	Tanker	2007	5,500
M.T. Nautica Batu Pahat	Tanker	2008	9,800
M.T. Nautica Muar	Tanker	1992	40,000
M.T. Nautica Kota Tinggi	Tanker	2008	9,800
Orkim Power	Tanker	2008	7,000
Orkim Leader	Tanker	2008	7,000
M.V. Nautica Tg Puteri I	Harbour tug	2004	305
M.V. Nautica Tg Puteri II	Harbour tug	2004	305
M.V. Nautica Tg Puteri III	Security Boat	2005	4.5
M.V. Nautica Tg Puteri IV	Off-shore crew boat	2005	226
M.V. Nautica Tg Puteri V	Off-shore crew boat	2005	226
TOTAL DWT A			**90,254**
B. Vessels under Construction			
M.T. Nautica Maharani	Tanker	2008	9,000
Orkim Merit	Tanker	2009	7,000
Orkim Express	Tanker	2009	7,000
Orkim Challenger	Tanker	2009	10,000
Orkim Discovery	Tanker	2009	10,000
Orkim Reliance	Tanker	2009	10,000
M.V. Nautica Tg Puteri VII	Mooring boat	2008	226
M.V. Nautica Tg Puteri VIII	Mooring boat	2008	226
M.V. Nautica Tg Puteri IX	Mooring boat	2009	226
M.V. Nautica Tg Puteri X	Mooring boat	2009	226
TOTAL DWT B			**53,904**
GRAND TOTAL			**144,158**

Pro Office Solutions Sdn Bhd

Pro Office Solutions Sdn Bhd ("Pro Office") is a Business Process Outsourcing ("BPO") company that provides total solutions in the Data and Document Processing ("DDP") industry. Pro Office is principally involved in the provision of integrated outsourcing solutions in DDP to telecommunication companies, financial institutions and insurance companies and a number of government-linked companies. DDP covers services ranging from data extraction, conversion, formatting of documents to data printing and preparation of printed documents for distribution via post. Pro Office has also diversified its services into other value-added services such as Mailroom Management, Direct Marketing, Handmail, Admail, Courier and Parcel Services.

The company has now expanded its operations and has successfully implemented a fully integrated, vertical supply chain, ensuring cohesive and top of the line service quality to meet the growing demand. Despite the challenging economic scenario, the company was able to chart a significant growth and outstanding performance in 2009 due to strong business fundamentals coupled with the entrepreneurial capabilities and commitment of the Intrapreneur-Manager.

Pro Office registered a stellar financial performance in 2009 with a record PBT of RM3.5 million on the back of highest ever revenue of RM31.6 million, which was another milestone achieved by the company. Revenue and PBT grew by 30.7% and 84.2% respectively against the results in the corresponding period last year of RM24.2 million and RM1.9 million. 75.2% of revenue which amounted to RM23.7 million was contributed by bulk mailing activities that registered 40.3% growth from the previous year, followed by laser printing at 19.3% or RM6.1 million.

The commendable growth was attributed to new contracts secured and existing contracts renewed during the year. For the year under review, the company succeeded to renew all contracts with major clients from the telecommunication service providers that represented almost 70% of total revenue. For the year under review, the company has secured new contracts from GLCs and corporate entities such as Perbadanan Nasional Berhad ("PNB") whilst at the same time managing to secure more job from existing clients namely Majlis Amanah Rakyat, Perbadanan Tabung Pendidikan Tinggi Nasional, ASTRO, MATRADE and KFC.

In cognisance of the challenging competitive market conditions prevailing today in the bulk mailing business, Pro Office continues to explore new initiatives that are synergistic to its current services. Pro Office is actively reviewing various possible business options including collaboration, mergers and/or acquisition of another service provider and even total divestment and harvesting.

Concurrently, Pro Office is also seeking new business opportunities and generating more values from its present activities. A new sub-intrapreneur unit will be established to specifically deal with mailing related activities. The services involved are mailroom management, return mail management and courier services. The company had also established a new disaster recovery centre in Puchong, Selangor that will not only ensure uninterrupted services to its clients but also generate more business to the company. Purchase of new state-of-the-art machinery is also in the pipeline to enhance its performance and meet customers' expectations.

CORE BUSINESS DIVISION

Metro Parking (M) Sdn Bhd

Metro Parking Group ("Metro Parking"), a 75% owned subsidiary is the flagship parking company of the Sindora Group, is involved in parking operations and provision of car park consultancy services that cover managing and operating all types of parking facilities. Provision of car park consultancy services encompasses designing of car parks, conducting studies on traffic flows and selecting suitable car park equipment.

Metro Parking has aggressively expanded its business operations not only within Malaysia but also to other countries namely Singapore, Brunei, the Philippines, Indonesia, Hong Kong and India. Metro Parking has vast experience in managing various types of car parks including in airports, office buildings, shopping complexes, hotels, transport terminals, wet markets, hospitals, open sites, jetty terminals, sport centres, recreational areas and for local council on-street parking. Metro Parking's list of reputable clients include Kuala Lumpur Sentral Station in Malaysia, Shaw Centre in Singapore, Bandung Trade Mall in Indonesia, Makati Shangri La Hotel in Philippines and R' City in India.

The subsidiaries established and involved in parking management comprise the following:

Companies	No of Carpark Sites	No of Parking Bays	% of Total Parking Bays
Metro Parking (M) Sdn Bhd	113	39,429	58.9
Metro Parking (S) Pte Ltd	38	10,527	15.7
Metro Parking (B) Sdn Bhd	18	1,821	2.7
Metro Parking Management (Philippines) Inc	32	7,160	10.7
PT Metro Penata Sarana	12	3,560	5.3
Metro Parking (HK) Limited	12	1,251	1.9
Metro Parking Services (India) Pte Ltd	2	3,200	4.8
TOTAL	**227**	**66,948**	**100.0**

On top of that, Metro Parking has also established subsidiaries in supplying parking equipment namely Metro Equipment Systems (M) Sdn Bhd ("MES") and Smart Parking Management Systems Sdn Bhd ("SPMS"). These companies cater to different markets whereby MES specialises in low end parking equipment whilst SPMS is a licensed distributor for Skidata, a high end automated parking system.

The Metro Group registered RM108.5 million revenue for the financial year ended 31 December 2009, its highest ever since its inception compared to RM101.6 million in 2008. However, Metro Group suffered a loss of RM2.2 million compared to pre-tax profit of RM1.4 million in the corresponding period last year. This was mainly due to the dismal performance of three subsidiaries namely Metro Parking (HK) Limited, PT Metro Penata Sarana and Metro Equipment Systems (M) Sdn Bhd.

Metro Parking's new ventures in Hong Kong and India require a considerable gestation period thus have yet to show profits. The investment in Indonesia through PT Metro Penata Sarana still suffered a loss due to stiff competition in securing more contracts and write down of assets. In relation to this, Metro Parking's involvement in Indonesia will be reviewed as part of its strategy to mitigate risk and enhance the Group's overall performance.

Metro Parking's other overseas subsidiaries particularly Singapore and the Philippines registered commendable results with pre-tax profit of RM1.0 million and RM0.8 million respectively during the year under review. Malaysian operations spearheaded by Metro Parking (M) Sdn Bhd registered a loss of RM0.2 million on the back of RM45.3 million revenue, due to a substantial provision on the amount owed by its Indonesian subsidiary.

In a move to strengthen its operations and cash management, automation in car parks will be expanded. To ensure maximum profitability, the implementation of automated car parks will be based on car park size and the ability to generate sustainable income as the cost is substantial.

Due to prolonged economic uncertainties regionally, Metro Parking Group will continue to take precautionary measures in securing new contracts to ensure sustainable growth and value enhancement for continuous capital appreciation. It will take advantage and leverage on its reputable brand name and quality services to position itself as one of the leading parking management companies in the region. To complement this mission, monitoring and custodian functions in areas of human resource, finance and audit will be strengthened to ensure its operation is efficient and viable.

EPASA Shipping Agency Sdn Bhd

Based in Pasir Gudang, Johor, EPASA Shipping Agency Sdn Bhd ("Epasa") is principally involved as an agency for shipping and forwarding, management of container yard operations, and beginning July 2008, has diversified into haulage business. Other locations of operations are in Port of Tanjung Pelepas ("PTP") and Johor Bahru Customs Complex. The company has wide experience in handling variety of cargoes via sea, land and air. Its clients include major shipping companies with international affiliations such as Mediterranean Shipping Line, Mitsui OSK Lines, China Shipping, Evergreen, Kontena Nasional and other clientele comprises Antara Steel Mills Sdn Bhd, Behn Meyer, Natural Oleo Chemical Sdn Bhd, FPM (M) Sdn Bhd, etc. The company's container yard that covers an area of six hectares has the capacity to handle 15,000 TEUs per month.

In 2009, Epasa reported lower PBT of RM0.7 million compared to RM1.2 million registered in 2008, in the wake of challenging conditions that prevailed in the logistics market especially in the first half of 2009. Its revenue declined 17.4% from RM10.1 million achieved in the previous year to RM8.4 million in the year under review.

Cargo movement in the Johor Bahru and Pasir Gudang areas slackened in 2009 due to the economic crisis. The company experienced a 25% drop in TEUs handled in the first half of 2009 and activity only picked up in the second half in line with the improving economy. Consequently the total volume of TEUs handled for 2009 was 82,818 or an average of 6,901 per month, 17.1% lower compared to the 99,890 TEUs recorded in the previous year. Mediterranean Shipping Line Sdn Bhd and China Shipping (M) Agency Sdn Bhd remained as the company's two main customers and contributed about 76% of the logistics operation's income.

CORE BUSINESS DIVISION

Epasa has the necessary infrastructure to provide integrated logistics services that include shipping, forwarding, haulage and container yard operations. By leveraging on its advantages over its competitors, Epasa is in a better position to sustain and gain better access to a wider clientele base through the provision of a full range of services at a competitive package price.

At present, the company owns seven units *of prime movers* and 44 units of trailers at an investment of RM2.5 million. Currently, Epasa is providing haulage services covering the Pasir Gudang area and in the future, services will be extended beyond this vicinity. Due to its vast potential, the haulage operation will be given special emphasis to tap the growing demand within the ports of Pasir Gudang and Tg Pelepas. This business segment is expected to contribute substantially to the growth and profitability as well as being the core activity of the company in the near future.

Sindora Timber Sdn Bhd

The lingering unconducive global timber industry business environment demanded Sindora Timber Sdn Bhd ("SindoraTimber") to undergo several restructuring initiatives in order to remain as a viable business venture. Sindora Timber had undertaken several bold moves including cessation of furniture, door manufacturing, logging and sawmilling activities. Its current activities in the production of laminated scantlings and mouldings are also facing extreme challenges due to softening global demand. The immediate focus will be more on increasing competitiveness through improvement in quality, better efficiency and contribution from other business activities.

The timber business showed no signs of turnaround as reflected in the company's dismal performance over the last few years. In 2009, Sindora Timber registered a loss of RM4.6 million on the back of RM5.6 million revenue. The bulk of the loss was attributable to the substantial markdown of obsolete and odd sizes stocks worth RM2.9 million, apart from operating losses from its timber-related activities.

The decision to diversify through a subsidiary, General Access Sdn Bhd ("GASB"), managed under a sub-intrapreneurship programme since late 2006, has proven to be successful in creating value by registering sustainable revenue and pre-tax profit since its inception. GASB's revenue increased by 73.5% to RM2.6 million in 2009 compared to RM1.5 million in 2008. Its PBT was sustained at RM243,365 in 2009 against RM269,403 in the previous year. GASB is a general contracting company involving in land clearing, road grading, resurfacing, replanting, terracing, hiring and rental of machinery. In 2009, GASB's contracts were mainly for replanting programmes of several oil palm estates and other earthwork contracting projects in Johor.

Sindora Timber has also ventured into the commercial farming of Grey Oyster Mushrooms in line with its effort to create value by utilising existing idle building and infrastructure at the Bandar Tenggara Complex. Currently, the mushroom unit has the capacity to produce up to 200 kilograms per day. Sindora Timber has conducted its own research and development on tropical mushrooms to support the business requirement apart from marketing its own spawn. The mushroom production and marketing activities were implemented with the sub-intrapreneur scheme under a new subsidiary, Tiram Fresh Sdn Bhd ("Tiram Fresh") beginning 12 February 2010. The plan is for Tiram Fresh to create value and contribute significantly to the Sindora Timber Group.

In its effort to widen its earnings base, Sindora Timber has also ventured into managing 200 hectares of Sindora's rubber plantation beginning 1 January 2010 through a sub-intrapreneurship approach under another new subsidiary, Jejak Juara Sdn Bhd ("Jejak Juara"). The implementation of the intrapreneurship scheme for rubber plantation management is envisaged to increase productivity and be cost effective, hence, enhancing value and improving the profitability of Sindora Timber Group as shown from the early results.

Going forward, Sindora will initiate all the necessary actions to salvage the value of its investments in Sindora Timber through the restructuring of its timber related activities, venturing into new viable businesses, and disposal of unproductive assets. By focusing on Sindora Timber's new non-timber related businesses, the Group will have the resources to stretch its capabilities and realise new opportunities for Sindora Timber to turnaround and contribute positively to the Group.

GranuLab (M) Sdn Bhd

Acquired in May 2007, GranuLab (M) Sdn Bhd ("GranuLab") is principally involved in the production and marketing of a synthetic bone graft under the brand name of GranuMaS™. This bio-technology project was the outcome of joint research efforts between SIRIM, Malaysian Institute of Nuclear Technology ("MINT"), Universiti Sains Malaysia ("USM"), Universiti Kebangsaan Malaysia ("UKM") and International Islamic University of Malaysia ("IIUM") to produce Bone Graft Substitutes for surgical applications in normal bone procedure for Orthopaedics, ENT, dentistry, plastic surgery and Maxillofacial surgery. This is the first project by Ministry of Science, Technology and Innovation ("MOSTI") through SIRIM to be commercialised via smart partnership with a local company.

GranuMaS™. had received international accreditation including the American Standards for Testing Materials Standard and ISO 10993 Series In-Vitro Cytotoxicology and Biocompatibility Test. Through the Technical Licensing Agreement with SIRIM Berhad, GranuLab has been granted the sole licensing to commercialise GranuMaS for 10 years with 10 years renewal option.

The use of abundant Malaysian limestone to produce the synthetic bone graft will allow the product to be positioned competitively in the international arena. The product has won many awards both domestically and internationally, such as the Prime Minister's Award for Malaysian Innovation 2007, ISESCO Science Award 2006, Gold Medal – Salon International Des Inventions Geneva (2005), Silver Medal – Expo Science, Technology and Innovation (2004), SIRIM Best Innovation Award 2004 – Product - Category: GranuMaS™., and SIRIM Best Innovation Award 2004 – Technology - Category.

The project has received strong support from the Malaysian government through the granting of Bio Nexus Status in 2007 as well as RM5.2 million grants from Malaysian Technology Development Corporation ("MTDC"). The grants shall be utilised to finance the setting up of a production lab, promotional activities, regulatory and certification cost as well as training. GranuLab has embarked on the setting up of a RM5.5 million medical grade plant at Kota Kemuning, Shah Alam for the production of GranuMaS. The production facility which will start its trial operations in second quarter of 2010 will be the first medical grade production plant for synthetic bone graft in Malaysia as well as in South East Asia.

CORE BUSINESS DIVISION

GranuMaS has received positive responses from potential clients during its promotional tours, and the Ministry of Health ("MOH") has extended its support for all government hospitals to utilise GranuMaS™. in all its bone grafting surgeries. GranuLab has filed patent applications as means of securing exclusive rights for its products as a marketing tool towards tapping numerous opportunities domestically and internationally for its corporate strength and growth.

The company will continue to foster close collaboration with SIRIM for material development and the technologies of using Hydroxyapatite ("HA") as the base material to produce other spin-off products such as bone cement. It will also enter into collaborative agreement with local universities and institutions to utilise the company's laboratory facilities for further research.

The product's superiority and certifications by internationally accredited bodies, coupled with aggressive marketing campaigns, continuous product knowledge and enhancement will allow the company to competitively position GranuMaS™. against its more established competitors.

Tepak Marketing (M) Sdn Bhd

Increasing orders from Unilever (M) Holdings Sdn Bhd and withdrawal the carbonated drink business ("Zippie") in 2009 have enabled Tepak Marketing (M) Sdn Bhd ("Tepak") to record its highest ever pre-tax profit of RM1.8 million, 74.1% higher compared to RM1.1 million posted in 2008. Likewise, its revenue also showed an improvement of 7.7% to RM20.6 million over RM19.1 million recorded in 2008. The rise was attributable to an increase in manufacturing contract volumes of Lipton tea products which was the sole contributor to profit.

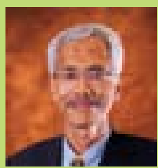
The manufacturing contract of tea continues to be the key driver of the company's growth. Tepak, a 20% owned associate company, is a contract manufacturer for tea blending and packaging under the brand name of Lipton for Unilever Holdings (M) Berhad ("Unilever"). It will continue to strengthen its smart partnership with its sole vendor, Unilever, by ensuring consistent delivery of the highest standard of quality and service that meet the stringent set criteria.

INTRAPRENEUR VENTURES UNDER SINDORA BERHAD

HALMI JASMIN
METRO PARKING (M) SDN BHD
Carpark Services in Malaysia

ABD WAHAB MOHD TAIB
EPASA SHIPPING AGENCY SDN BHD
Shipping and Transportation Services

HJ YUSOF ISMAIL
METRO PARKING (B) SDN BHD
Carpark Services in Brunei



MAHAT DENAN
SINDORA TIMBER SDN BHD
Timber Product

TYRONE LOPEZ
METRO PARKING (S) PTE LTD
Carpark Services in Singapore

FUAD DAUD
GENERAL ACCESS SDN BHD
Earthwork

RICHARD FONG KAR WONG
METRO PARKING MANAGEMENT (PHIL) INC
Carpark Services in Phillippines

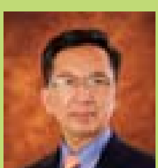
DATO' IR ABDUL HAK MD AMIN
E.A. TECHNIQUE (M) SDN BHD
Shipping Services

MARIA SHEILA MAY R LOPEZ
METRO PARKING MANAGEMENT (PHIL) INC
Carpark Services in Phillippines

PAUL EMMANUEL CORNISH
METRO PARKING (HK) LTD
Carpark Services in Hong Kong

JULIAN@AMIRUL SUFIYAN MOHD KHALID @ SALIM
JEJAK JUARA SDN. BHD
Rubber Plantation

SALIM OMAR
TIRAM FRESH SDN BHD
Mushroom Cultivation



HJ BUKHARI ABD RAHMAN
PRO OFFICE SOLUTIONS SDN BHD
Bulk Mailing Services

ROMLI ISHAK
GRANULAB (M) SDN BHD
Trading Granular Synthetic Bone Graft

CORE BUSINESS DIVISION

PROPERTY DEVELOPMENT DIVISION

The Group Property Development Division is another one of the Corporation's core business divisions led by two companies namely Johor Land Berhad ("JLand") and Damansara Realty Bhd ("DBhd").

JOHOR LAND BERHAD

JLand's strength as a property developer lies in its major residential township projects mainly based in Johor. The company currently has a prime land bank of over 2,800 acres in Johor, within the epicenter of the Iskandar Malaysia (IM). In its endeavour to be a premier property company in the country, JLand, although there were uncertainties in the property market that softened the demand, it was able to sustain its performance and thus demonstrated its resilience and ability to adapt to changing business environment.

For the year under review, JLand's property development activities centered on the development for Bandar Dato' Onn, Taman Bukit Tiram and Taman Bukit Dahlia.

Bandar Dato' Onn is JLand's latest property offering promises to be one of the most sought after address in Iskandar Malaysia. The township, which is scheduled to be completed over a period of 20 years will be developed based on an exclusive neighbourhood concept. There will be 19 exclusive neighbourhoods each carefully planned to bring out the finest aspects of community living. The township featuring exclusive neighborhoods and vibrant commercial hub is set to be one of the most beautiful and modern townships to live in, in the southern part of the nation. Within the township, a regional commercial hub of 118 acres is set to become the nerve of Bandar Dato' Onn and all development components are linked through a linear park, with special attention given to landscaping. When completed, the township will feature 17,800 property units with expected gross development value and gross profit of RM4.0 billion and RM1.2 billion respectively.

The first phase, Neighbourhood 10, comprises 662 units of prestigious double storey terraced houses and double storey semi-detached houses were launched in 2007. Out of this, 259 units double storey terraced houses were completed and handed over to purchasers in 2009. Another 335 units of double-storey terraced and semi-detached houses are in the process of handing over, whereas another 46 units of terraced and 22 units semi-detached houses are in the final stage of completion.

In 2010, the Company plans to launch Neighbourhood 11 which comprises 642 residential units and Neighbourhood 3 which comprises 24 commercial units with a total gross development value of RM239 million.

On the other hand, JLand's on-going projects, Taman Bukit Dahlia and Taman Bukit Tiram were also contributing to the enormous achievement in the year under review. Taman Bukit Dahlia is strategically located between Masai and Pasir Gudang, one of Johor's growth corridors; while Taman Bukit Tiram is a mixed development spread over an area of 150 acres. This development is in addition to JLand's development of Bandar Tiram, planned as a self-contained township on 1,200 acres of land.

JLand's revenue for the period ended 31 December 2009 has increased by 47.01% from RM138.69 million to RM203.90 million compared to the same period last year. This improved performance was attributable to higher sales and progress billings from JLand's core property projects. Profit before tax was recorded at RM25.21 million compared to profit before tax of RM25.29 million in 2008. The quality of JLand's balance sheet has improved as the net tangible assets grew to RM673.55 million in 2009, against RM653.33 million recorded in the previous year.

DAMANSARA REALTY BERHAD

In the financial year 2009, the DBhd Group recorded a revenue of RM27.2 million compared to RM44.2 million in 2008. Out of the total revenue in 2009, RM21 million (or 77.2%) was contributed by the property development activities whilst the construction activities and healthcare services contributed RM0.8 million (2.9%) and RM5 million (18.4%) respectively.

The property development activities in Taman Damansara Alif ("TDA") generated a total revenue of RM13.7 million in 2009, primarily from land sales, RM6.4 million and sale Aliff Puteri 2 storey terraced houses of RM7.4 million. The development activities in Aliff Puteri (Sub-Phase 1) – 2 Storey Terrace House achieved 74% progress work as at end of 2009. This development project is expected to be handed over by 3rd Quarter 2010.

With regard to the property development activity in Bandar Damansara Kuantan ("BDK"), the Group is currently focusing on strategic land sale in view of the limited and softer demand in Kuantan property market. For 2009, BDK contributed a total RM6.5 million from land sale activity.

DBhd's healthcare related services, carried out by its 70% owned subsidiary Healthcare Technical Services Sdn Bhd ("HTS") and its 51% owned subsidiary namely DHealthcare Centre Sdn Bhd, contributed a total of RM5 million revenue to the Group. HTS is primarily involved in providing full services within the hospital development sector. Since the acquisition of HTS, it has contributed a significant profitability as well as good reputation to the Group. To date, HTS has a total of 7 new development and renovation projects in hand as well as 26 new projects (i.e. under planning stage) with project value worth approximately RM123.6 million and RM781.9 million respectively.

The Group recorded a profit after taxation of RM1.1 million in 2009 compared to a loss after taxation of RM12 million in 2008. The profit in 2009 was attributable from the gain in disposal of Tanjung Tuan Hotel Sdn Bhd of RM8.4 million, which was completed in August 2009.

CORE BUSINESS DIVISION

INDUSTRIAL LAND DEVELOPMENT DIVISION

TANJUNG LANGSAT PORT.

Tanjung Langsat Port ("TLP") has served and will continue to serve as a catalyst for the dynamism and rapid growth of TLIC. TLP is strategically located in the heart of South East Asia with adequate shoreline of 4.5 kilometers and 12.8 meters draft and capable of accommodating vessels from 5,000 DWT to 120,000 DWT. These characteristics have given TLP the leading position in attracting investors and potential investors to use the Port's facilities and to locate their operations at TLIC. Its location which is at close proximity to Johor Port Berhad in Pasir Gudang provides added synergy to TLP and both Ports can complement each other.

TLP's strategic location, within 30 minutes of steaming time or 12 nautical miles from the international shipping lane and only about 50 kilometers from the international Airport a designated regional air cargo hub, through the Senai Desaru Expressway which was recently opened, provide TLP with an added accessibility and connectivity. In addition, TLP's location within the promoted Iskandar Malaysia will give positive impact to the Port's development and growth in the future. Among its notable achievements, TLP has successfully concluded a land-lease agreement involving more than 80 acres of land within the Port's area to two multinational companies and a local company. The companies are Asiaflex Products Sdn Bhd ("Technip") from France, Kiswire Neptune Ltd ("Kiswire") from South Korea and a local company Johor Shipyard & Engineering Sdn Bhd.

In addition, TLP has successfully built three additional liquid cargo berths to make it total five berths altogether and were officially launched by Johor Chief Minister Dato' Haji Abdul Ghani Bin Othman on 31 December 2009. Another two specialised dry cargo berths were built to serve Asiaflex, Kiswire and Bahru Stainless – a Spanish company which has leased a land outside the Port area to build a factory producing stainless steel. To date, the Port development cost, including capital dredging, has exceeded RM500 million.

In respect of the project development status of TLP's clients, the construction of 130,000 cubic meters capacity of tanks facility was completed and started operation in September 2009 while the remaining 270,000 cubic meters capacity of tanks facility was completed in April 2010 to make it a total of 400,000 cubic meters capacity of storage tanks. The facility is owned by Langsat Terminal One Sdn Bhd ("LGT1") a joint venture company involving Dialog, Trafigura and MISC. When fully completed, the RM500 million tank facilities will generate 12.5 million cubic meters of petroleum products a year through TLP's liquid cargo berths. LGT1 is also planning to build another 240,000 cubic meters of storage capacity in the upcoming years.

TPM TECHNOPARK SDN BHD

For the year 2009, TPM Technopark Sdn Bhd ("TPM Technopark") has sold 98.686 acres of JCorp's industrial land worth RM108 million. The sale of industrial land in 2009 has contracted, compared to the same period in 2008 due to world economy downturn. Investors take an approach of wait and see as well as practice tight financial management.

As a marketing agent for Johor Corporation ("JCorp"), TPM Technopark is constantly involved in trade missions to lure more investment from abroad and to introduce Johor as the preferred location for investment. Various marketing strategies and techniques were employed, both through the direct approach to woo potential investors, as well as indirectly through participating in exhibitions, trade dialogues sessions and investment missions, advertisements and seminars including those organised by MIDA, MITI and Johor State Government. Johor's strategic advantage in being the only location in Malaysia able to offer access to the best of both Malaysia and Singapore combined were fully leveraged upon.

Furthermore, the ready infrastructure in our Industrial areas of Pasir Gudang and Tanjung Langsat, and especially the formidable presence of a dedicated industrial port at Tanjung Langsat, has always presented an attractive proposition to potential investors both domestic and foreign.

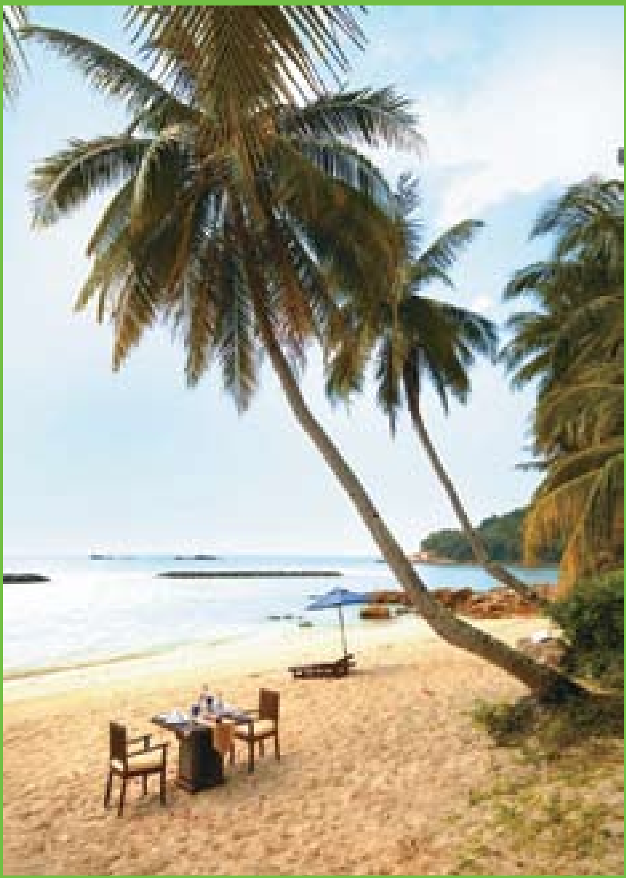
Currently TPM Technopark is developing Sedenak Industrial Park with a total land area of 700 acres. The company is in the process to equip the area with industrial Infrastructures. It is expected to play a significant role due to its strategic location in Iskandar Malaysia.

Besides sale of Industrial Land, TPM also acts as project manager for numerous Group projects among others including the upgrading and reconstruction of Tun Abdul Razak Complex ("KOMTAR"), the construction of a 20 storey commercial cum office tower in Pasir Gudang and the development of Johor Military Force camp located at Tasek Utara, Johor. TPM is currently managing projects worth RM385 million.

Apart from that, TPM Technopark is also involved as the project manager for the development of religious schools for Jabatan Agama Islam Johor. Currently TPM Technopark is in the process to complete 4 religious schools projects worth RM7.1 million.

Until December, 2009, TPM Technopark has completed 24 projects worth RM356.9 million. Amongst the major projects that have been completed are the construction of three new berth and specialised dry cargo wharf for Tanjung Langsat Port Sdn Bhd, and 3 religious schools at Pontian, Kluang and Muar.

CORE BUSINESS DIVISION



HOSPITALITY BUSINESS

JCorp's involvement in the hospitality business is in the form of owning 4 hotels, one resort and one international convention centre. This sector has the prospect and potential in line with the growth in the tourism sector in Johor as well as in Malaysia. As such, it would contribute directly to the future growth of JCorp, subsequently enhancing Johor as an international holiday destination.

Under Puteri Hotels Sdn Bhd there are the The Puteri Pacific Johor Bahru – the 5 star rating hotel, Sibu Island Resort and Persada Johor International Convention Centre. Whilst under the Selesa Hotel Group there are three hotels namely Hotel Selesa Johor Bahru and Hotel Selesa Pasir Gudang in Johor and Selesa Beach Resort in Port Dickson.

Sibu Island Resort which is located off the East Coast of Johor was reopened for business from January 2009 after undergoing renovation and upgrading. The renovation work was geared towards the compliance of standard requirements for an international resort. Some of the elements in the resort include desalination plant for processing its own fresh and clean water, clean beaches and newly renovated rooms with modern room designs and facilities. The latest addition is the completion of the team building facilities that offer low and high elements to cater for team building activities.

JCorp Hospitality Division is currently in the midst of standardising all promotional and marketing activities for the hotels and resort as well as for the international convention centre, thus creating the hospitality branding under the JCorp Group. In addition, participation of all properties in the tourism promotions organised both at local and international levels are being carried out in enhancing the public awareness towards the establishment and prosperity of the properties.

DAMANSARA ASSETS SDN BHD

Damansara Assets Sdn Bhd ("DASB") plays the strategic role of being JCorp's commercial property arm. The company is not only managing commercial properties consisting of shopping centres, office buildings, transport terminals and sport complexes but also developing new ones. To date it manages a total of 2.6 million square feet commercial properties located in Kuala Lumpur and Johor Bahru.

The year under review started on a cautious note amidst reports of a global financial crisis ignited in September 2008 affecting shopping behavior that translated into ability of the tenants to sustain their businesses. DASB created innovative marketing programs to attract shoppers to the shopping centres especially at Plaza Kotaraya, Larkin Sentral and Kompleks Pusat Bandar Pasir Gudang. As a result, the occupancy rates of these shopping centres remained strong at an average of ninety percent.

REDEVELOPMENT PROGRAM

Year 2009 marked a milestone for Komtar since the 33-year old shopping centre would undergo a significant redevelopment program. The new shopping centre is planned to accommodate a larger lettable area increasing from 162,605 square feet to 403,253 square feet to fully utilise the valuable land. It will be equipped with more than 2,000 parking spaces, hotel, mosque and connected with City Square, CIQ and Persada Johor via link-bridges. It is accessible from Jalan Wong Ah Fook – Jalan Tun Abdul Razak – Jalan Tebrau via a ramp. The shopping centre is scheduled to open in 2011.

IMPROVEMENT WORKS

As an effort to fulfill the multifaceted needs of the shoppers, DASB keeps on improving the shopping centres with focus on tenant mix and physical looks.

At Plaza Kotaraya, the opening of another signature brand of KFC Holding, Restoran RasaMas in July 2009 is complementing Pizza Hut which has been occupying Plaza Kotaraya earlier on to cater for the urban living style.

During the year, Plaza Kotaraya has also added Bank Islam Malaysia Bhd as its tenant to offer Islamic banking facilities as an option to services provided by conventional banks.

Understanding the importance of having a fresh look in pulling in shoppers, especially in tough times, DASB has encouraged tenants to renovate their premises. Amongst the tenants that have taken the initiatives were D'Apotic Pharmacy, Pelaburan Johor Bhd and Tiram Travel Sdn Bhd.

Meanwhile, Larkin Sentral would no longer be a traditional transport terminal and wet market. It would embrace a new paradigm with the construction of 9,300 square feet Pizza Hut & KFC Drive-through Restaurant scheduled to complete in April 2010. For shoppers' convenience, the stand alone restaurant is located next to the taxi stand and linked with the wet market via a bridge. It also owns ample parking spaces for diners.

More improvement plans are underway for Larkin Sentral especially for the wet market and food court to make the property livelier and a favorite shopping destination catering for all walks of life. The improvement works will be carried out in stages.

CORE BUSINESS DIVISION

As a concerned property manager, DASB has conducted series of dialogues with the tenants during the year. The first 'Sesi Interaksi Bersama Penyewa Larkin Sentral' conducted on 18th February 2009 was chaired by the President and CEO of JCorp. The session is intended to forge a greater mutual understanding and a way of the management exchanging views with tenants to keep them abreast on planning of the property.

DASB is also planning to improve the development of Tanjung Leman in stages. For a start, DASB is building KFC Restaurant by the seafront – the first of its kind as a new landmark for the area. The construction of the RM1.5 million - restaurant started in December 2009 and scheduled to open in May 2010. It was intended to cater for the international tourists ferrying from Tanjung Leman to Sibu Island Resort and surrounding islands as well as local visitors.

MARKETING CAMPAIGNS

Apart from improvement works, DASB has carried out promotion activities as marketing campaigns to attract shoppers.

DASB in collaboration with Astro Talent Management has conducted an audition for a popular reality television program called `Raja Lawak Astro' at Plaza Kotaraya. It has also formed a smart cooperation with the Indonesian embassy to organise an annual event called Indonesian Trade Fair at Plaza Kotaraya to attract crowds especially Indonesians residing in Johor Bahru.

DASB has work hand in hand with Berita Harian to make Kompleks Pusat Bandar Pasir Gudang which is owned by Pasir Gudang Municipality a favorite venue for its annual road-show for 'Anugerah Bintang Popular Berita Harian' ("ABPBH") due to its large open atrium that can accommodate an overwhelming number of crowds.

DIVERSIFICATION

As part of the diversification program, DASB is venturing into community mart business. The first community mart being developed is @mart Taman Dahlia, Tampoi located on a 12-acre land. The commercial centre was designed to provide a more systematic and modern market serving communities surrounding Taman Dahlia. It would accommodate 200 retail lots that are scheduled to open in August 2010.

FINANCIAL PERFORMANCE

DASB Group has generated a turnover of RM154 million in year 2009, an increase of 17% from the previous year. The turnover is mainly contributed by new contracts secured by the subsidiary, TMR Urusharta (M) Sdn Bhd in addition to revenue from rental income.

In the year under review, DASB Group registered a Profit Before Tax of RM27 million. It was a significant improvement from a registered Loss Before Tax of RM4.5 million due to fair value adjustment of investment properties.

ASIA LOGISTICS COUNCIL SDN BHD

Asia Logistics Council Sdn Bhd ("ALC") was incorporated in Malaysia as a private limited company on 24 January 2008, and had commenced operations since February 2008. Currently, the company's operations is based at Level 45, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre ("KLCC"), Kuala Lumpur, and ALC is an MSC Status company.

The company had, on 5th February 2008, executed the Letter of Intent for Revenue Sharing Agreement with World Logistics Council Inc. ("WLC"), the exclusive global licensee with an unlimited and irrevocable term for all intellectual property related to the Global Strategy Solution consisting of, the horizontal e-platform called the Global Logistics System ("GLS"), the Global Value Proposition, the Business Model that provides the economic benefits as the driving force for quick adoption, the Rapid Global Deployment Strategy, the RIQS Deployment Strategy, the Carrier Deployment Strategy, the Advocate Customers Deployment Strategy, the Government Implementation Plan Deployment Strategy, and Landed Import and Export Assessment Tools (collectively known as "products").

Through the Revenue Sharing Agreement, ALC is engaged to assist WLC and Global Coalition for Efficient Logistics ("GCEL"), a Swiss-based not-for-profit Public/Private Partnership, who is leading the initiative towards revolutionising and promoting global efficiency in trade related logistics and enhanced cargo security, in the deployment of the products, through a pre-approved strategy, in ALC's allocated region namely Asia, Australia and Oceania, through three major phases. These phases include the Emerging and Developing Phase, which are non-revenue generating phases and followed by the Deployment Phase, which triggers the revenue generating phase of ALC's business operations, going forward.

On July 23, 2009, Tan Sri Muhammad Ali Haji Hashim, President and CEO of JCorp and GCEL Executive Member, had accepted the prestigious Frost & Sullivan 2009 Asia Pacific Excellence Award for "Innovation In Integrated Global Logistics Solution", on behalf of the Global Coalition for Efficient Logistics ("GCEL"), through the initiative of ALC. The award was presented by Frost & Sullivan's Mr. Kavan Mukhtyar, in the Annual Asia Pacific Transportation and Logistics Awards ceremony, held at the InterContinental Hotel in Singapore. The annual awards ceremony recognises the "Best in Class" operations and services of the world's leading transportation and logistics firms and services providers in the Asia Pacific region. Operationally, in the year under review, ALC has been in the Emerging and Developing Phase, which mainly involves the creation of awareness, gathering of support and building of consensus, on the Global Strategy Solution, among selected public and private organisations in major economies within ALC's allocated region.

In undertaking the tasks in the first 2 phases of operations, ALC had been successful in appointing five highly respected and reputable individuals from various disciplines from across the region to participate as ALC's Board of Advisors. Besides that, ALC had also been busy presenting the Global Strategy Solution across the region, focusing on major economies in the region including Malaysia, Singapore, China, Japan, India and Indonesia. The aim of the presentation is to create the awareness as well as to gain support from selected Government Agencies and Industries from each country, subsequently inviting them to become members of the GCEL.

Regionally, ALC and GCEL had the opportunity to present in the Annual Conference of the Association of Development Finance Institution for Asia Pacific ("ADFIAP") and the "Aid for Trade" Forum in Cambodia, in April and May 2009, respectively. The Forum in Cambodia was organised by the Asia Development Bank ("ADB"), International Trade Centre ("ITC") and the Government of Cambodia. Amongst other regional Government agencies, Industrial and Business Communities that ALC and GCEL had visited and presented to, include the Malaysia Ministry of International Trade and Industries, the Malaysia International Chamber of Commerce

CORE BUSINESS DIVISION

and Industry ("MICCI"), InfoComm Development Authority of Singapore, and the Singapore International Chamber of Commerce and Industry ("SICCI").

In China, presentations were made to the Ministry of Commerce ("MOFCOM"), China Center for International Economic Exchange ("CCIEE") and representing the Business Industry was the Bank of China ("BOC"). In addition to that, a session was also held with the Bauhinia Foundation Research Centre in Hong Kong, which is a policy think tank established in Hong Kong. In India,the silicon valley of the East, the focus was mainly in the Technology organisations namely, TATA Consultancy, HCL Technologies, Wipro Technologies Ltd, and representing the Financial sector were Nandi Insurance Broking and Risk Management and the State Bank of India.

Meanwhile in Japan, presentations were made to the Japan Bank for International Cooperation ("JBIC"), the international wing of Japan Finance Corporation, Development Bank of Japan ("DBJ"), and the Ministry of Land, Infrastructure, Transport and Tourism Japan ("MLIT").

In summary, all our visits and presentations had been successful in creating the interest and awareness among the organisations albeit in various degrees. Companies that are more corporate and business driven in nature, were quick to recognise and grab the opportunity that the Global Strategy Program presents, while organisations that are more bureaucratic prefers to take it a step at a time. Nonetheless, at ALC's and GCEL's level, we are quite satisfied with our achievements to-date.

July 24th, 2009, marked yet another milestone for ALC and GCEL, when the GCEL executed an MOU with the Indonesia Chamber of Commerce and Industry ("KADIN") for the triggering of the Asia Benchmark Trade Lane. This agreement signifies the triggering of the first Deployment Trade Lane, as a benchmark for the Asia region, with the corresponding trade lane partner or partners to be between Indonesia and one or more of its trade partners in Asia. Before the close of the year under review, on 24 and 25th November 2009, GCEL's delegation led by ALC Chairman, Tan Sri Rafidah Aziz, was given the opportunity to present the GCEL Program to world prominent non-profit organisations, with the objective to create awareness and to obtain their support and endorsement. These organisations include the World Trade Organisation ("WTO"), United Nations Conference on Trade and Development ("UNCTAD"), both located in Geneva Switzerland, and the World Customs Organisation ("WCO") in Brussels, Belgium.

The positive and most encouraging support that were conveyed during and following these meetings by these organisations had been exhilarating and had helped to set the stage for the GCEL Program to leap-frog into the next phase of the program, which is the building of the World Logistics Council Network ("WLCN") to start deploying the Global Logistics System.

Therefore, in tandem with our agreement with WLC, ALC is now in the position to embark into Phase three of the program, which is the Deployment of the Global Strategy Solution, which shall be ALC's focus for year 2010 onwards.

PELABURAN JOHOR BERHAD

After struggling with the unprecedented challenge on the termination of Amanah Saham Johor ("ASJ") on 16 June 2008, Pelaburan Johor Berhad ("PJB"), a subsidiary company of JCorp with fund management licence from Securities Commission continued the implementation of the Price Support Scheme ("PSS") for Dana Johor ("DJ") and managing Amanah Saham Angkasa ("ASA").

For the year under review, PJB has extended the period of the fifth PSS, launched on 22 February 2008 for another year until 31 December 2009 and deferred the launching of the sixth scheme. JCorp, in collaboration with the Johor State Government had launched PSS for both ASJ and DJ since 9 February 2004. PSS presented an opportunity for unit holders of ASJ and DJ to redeem an annual 10% of their total unit holding at a guaranteed price of RM1.00 and 50 sen per unit respectively. Since the inception of the PSS until 31 December 2009, a total of 162.21 million units of DJ had been redeemed with a total cash payout of RM 81.1 million.

Apart from that, PJB had received a proposal from the initiator of ASA, Angkatan Koperasi Kebangsaan Malaysia Berhad ("ANGKASA") to terminate ASA. The proposal had earlier been mooted by the members of ANGKASA in the Annual General Meeting of ANGKASA in December 2008 where ASA unit holders' will be given opportunity to redeem their units at the purchase cost. However, in ANGKASA's Annual General Meeting on 19 December 2009, the members has agreed for ANGKASA to top up the difference between the purchase cost and the current net asset value (NAV) of the fund. Whereas, the reinvested units from the distributions paid by ASA, bonus and free units from PJB on purchase of units during the promotion period, will be redeemed at current NAV. Since its launching, ASA had declared and paid gross distributions of 69.19 sen per unit.

Nonetheless, the resolution relating to the termination of ASA need to be passed in the unit holders' meeting scheduled in March 2010.

Moving forward, after the termination of ASJ and proposed termination of the ASA, PJB had transferred some of the personnel to Permodalan Teras Sdn Bhd, the holding company of PJB to manage venture capital fund. Intrapreneur Development Sdn Bhd ("IDSB"), a subsidiary of PTSB was established in the middle 2009 to carry the business of venture capital. IDSB was registered as a syariah compliant venture capital company and PTSB as the Fund Manager with Securities Commission on 2 October 2009 and had been launched on 16 October 2009.

Being a new venture capital company, IDSB will focus its investments in the syariah compliant intrapreneur companies within the JCorp Group with great growth potential and capital appreciation in the short to long term. This is in tandem with JCorp's aspiration to build JCorp into a Community of Enterprises through a clearly defined intrapreneuring programs with the source of funding to develop and expand businesses thus to support the JCorp's corporate growth. Nevertheless, IDSB will also invest in other companies with high potential returns particularly companies with listing potential.

JCORP'S INTRAPRENEUR BUSINESS DIVISION

JCORP HAS A UNIQUE AND VITAL ROLE IN JOHOR'S AND MALAYSIA'S FUTURE ECONOMIC DEVELOPMENT, PARTICULARLY IN FULFILLING THE BASIC OBJECTIVES OF THE NATIONAL ECONOMIC POLICY ("NEP").

THE UNIQUE FEATURE OF JCORP'S APPROACH IN REALISING THE ROLE, FULFILLING JCORP'S 'SOCIAL RESPONSIBILITY' IS PART OF THE OVERALL CORPORATE PRACTICE THAT NEEDS TO BE EFFICIENTLY AND EFFECTIVELY MANAGED IN EACH BUSINESS THAT IS RUN BY JCORP. IN FACT, IT WILL BE OBSERVED THAT JCORP'S ENTREPRENEURIAL DEVELOPMENT PROGRAM HAS BECOME A KEY COMPONENT OF ITS OWN CORPORATE DEVELOPMENT AND EXPANSION, WITH THE DIRECTION OF ITS GROWTH BEING LARGELY DETERMINED BY THE SUCCESS ACHIEVED IN ITS ENTREPRENEUR DEVELOPMENT PROGRAM.

The entrepreneurial development programs were undertaken by JCorp on several fronts, with focus on two sets of target groups. The first target group involved facilitating entrepreneurial development and creating business opportunities aimed at increasing the number and enhancing quality of external Malay-Muslim businessmen.

The second no less important target group, on the other hand, involved developing intrapreneurs or entrepreneur-managers from among JCorp's own teams of executives to provide corporate leadership in managing assets and enhancing value of JCorp's own business units and profit centers. It is the second component in particular that provided the strategic link to JCorp's growth and expansion strategy.

Over the years, JCorp in fact has established a national reputation in its unique intrapreneurial development program which has successfully delivered several outstanding entrepreneur-managers which are today managing listed and unlisted companies in the Group.

These groups of internally developed corporate leaders are further supported by several layers of young second- and third-liner intrapreneurs who, as members of team entrepreneurs, are groomed to lead the companies in the Group in facing up to future challenges for corporate growth.

JCorp's Intrapreneur Scheme, through the concept of direct partial ownership, enters its eleventh year since its launch. Introduced in 1999, this new risk and reward sharing dimension under JCorp's unique and innovative intrapreneuring scheme has shown remarkable success in terms of acceptance and performance. Implemented initially as JCorp's creative strategy and response to the crisis situation, the Scheme has proven to be one of JCorp's business engine driving JCorp's future corporate growth and expansion

The aggregate sales from the 69 intrapreneur companies recorded a significant RM599.2 million, with a combined profit before tax of RM30.7 million for the year ended 31 December 2009. The competitive spirit among intrapreneurs involved had resulted in performance improvement that is fast becoming a common characteristic among all the intrapreneur companies, which had sustained high growth since the scheme was first introduced in 1999. Outstanding performances were recorded by companies such as EA Technique Sdn Bhd, Pro Office Solutions Sdn Bhd, Metro Parking (M) Sdn Bhd, Epasa Shipping Agency Sdn Bhd, TMR Urusharta (M) Sdn Bhd, Tiram Travel Sdn Bhd, Tepak Marketing Sdn Bhd, Teraju Farma Sdn Bhd, Kulim Civilworks Sdn Bhd, Johor Skill Development Sdn Bhd ("PUSPATRI"), Rajaudang Aquaculture Sdn Bhd and HC Duraclean Sdn Bhd. Other intrapreneur companies were also proven remarkably successful even though the profit before tax is yet to achieve above RM1 million.

STRENGTHENING JCORP'S INTRAPRENEUR SCHEME

Recognising the viability if this scheme, JCorp has charted a course to embark on a more aggressive stance to seek out, within the Group and from among JCorp's own internal departments, potential businesses and activities that can be converted into Intrapreneur Businesses under the scheme. This is also further complemented by seeking and inviting potential and eligible entrepreneur surely helped to expedite the growth and expansion of the scheme.

The function and responsibilities of Intrapreneur Business Department and JCorp Intrapreneur (M) Berhad had been strengthened in order to achieve JCorp's target to have at least 2,500 intrapreneur companies in 2020. Several events had been planned by both parties which include briefings and roadshows on intrapreneur scheme, business networking, exploring new businesses and other programs to attract as many as possible potential intrapreneurs. The system and procedures on intrapreneurship had been created and updated which covers several aspects such as criteria on selection of intrapreneur, selection of businesses, monitoring system, rewards system and also future business and career developments.

INTRAPRENEUR BUSINESS DIVISION

JCorp recognises excellent and high achievements shown by intrapreneurs. The "One Million Club" recognitions which were introduced by JCorp in 2008 to distinguish those intrapreneurs who are able to achieve targeted profit before tax more than RM1 million, is an objective measurement approach in recognising intrapreneurs' achievements. As at 31 December 2009, there were 12 Intrapreneurs eligible to be categorised under the club. The "One Million Club", has created the culture of dynamic competition among most intrapreneurs towards achieving higher profit which will surely be rewarded with better package of remunerations.

Intrapreneurs are further motivated by The "Five Million Club" initiative which means bigger challenges for the higher benchmark of profit before tax. This will surely increase the pace of the intrapreneur's race to be part of the achiever's list.

"MANY MALAYSIAN COMPANIES ARE MOVING FORWARD AS CORPORATION ADOPTED THE ISLAMIC VALUES INTO PRACTICE AND CREATE A STRONG BUSINESS BRAND..."

Dr. Paul Temporal,
Associate Fellow of Oxford University, Faculty of Business.

Opportunities are always given to intrapreneurs who have shown outstanding capabilities in managing business. With various types of business undertaken, JCorp was stirred to restructure the similar businesses into clusters under the same management. Intrapreneur with outstanding capabilities will lead the group of companies while other intrapreneurs in the same group will continuously be coached and monitored in driving their businesses.

The acquisition of Pro Communications Services Sdn Bhd and Sovereign Multimedia Resources Sdn Bhd by Pro Office Solutions Sdn Bhd in which both companies are involved in IT and IT related services was a pioneer for clustering approach followed by acquisition of Aquapreneur Sdn Bhd by Rajaudang Aquaculture Sdn Bhd, both are involved in prawn farming.

It has to be recognised that the success of these intrapreneur companies is ultimately dependent on the entrepreneurial energies of the intrapreneurs themselves. Not only do they need to be highly self-motivated, they must also be hardworking and personally willing to face all the challenges and risks involved in driving business.

The new global business climate dictates that national economies aspiring to achieve respectable rates of growth as a prerequisite to the long term prosperity of their people have no alternative but to adopt the competitive, capitalist model and be market driven. In facing up to this new reality, given that bridging ethnic economic disparities is still high on Malaysia's national agenda, it is imperative that focus be also directed towards re-conceptualising and redesigning Malaysia's affirmative action programme.

Ultimately, it will be observed that the institutionalisation of ownership can significantly contribute towards building a nation's social capital so critical to sustain national solidarity and social cohesion.

INTRAPRENEUR BUSINESS DIVISION

INTRAPRENEUR COMPANIES UNDER JCORP

AZHARI ABDUL HAMID
HC DURACLEAN SDN BHD
Franchisor of Cleaning Services

HJ JA'APAR SAMAT
JOHOR SKILLS DEVELOPMENT CENTRE SDN BHD
Industrial Training Centre

MD YUSOFF ABDUL GHAFFAR
TIRAM TRAVEL SDN BHD
Travel Agency

ZULMAN SHARIFF
RAJAUDANG AQUACULTURE SDN BHD
Management Services and Breeding of Prawns

ABD WAHAB AMAN
AQUAPRENEUR SDN BHD
Breeding of Prawns

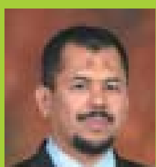
YASID SAHILAN
PRO COMMUNICATION SERVICES SDN BHD
Billboard and Multimedia Advertisement

ABDUL HAMID SHAHDAN
PRO-OFFICE SHOPPE SDN BHD
Photocopy and Printing

MOHAMED RAWI HJ ALI
AQUAPRENEUR SDN BHD
Breeding of Prawns

ZAKARIA MOHAMAD
PRO COMMUNICATION SERVICES SDN BHD
Billboard and Multimedia Advertisement

MAZROL NIZAM ABDULLAH
PRO-OFFICE SHOPPE SDN BHD
Photocopy and Printing



HJ ZAMRI NORANI
IPPJ SDN BHD
Entrepreneurial Training

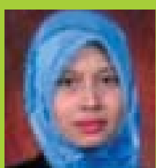
HJ HUSSIN HARON
TERAJU FOKUS SDN BHD
Security Services

SYED OMAR SYED ABDULLAH
EXCELLENT RELATIONS SDN BHD
Information Technology

MD ASHARI SALIKIN
GREAT ALLIED ENGINEERING SDN BHD
Autoblasting and Painting

AZIME ABD RASHID
MARUAH EMAS SDN BHD
Islamic Pawnshop

YM RAJA ROZHAN RAJA JAAFAR
EFFECTIVE CORPORATE RESOURCES SDN BHD
Accounting Services



MAZIAH MAHMOOD
SOVEREIGN MULTIMEDIA RESOURCES SDN BHD
Information Technology

YUNOS MOHAMAD
RAJAUDANG TRADING SDN BHD
Trading

RAIHAN HAFIZ YATIMAN
AMAZING CUISINE SDN BHD
Cold-cuts and Sausages Production

HJ MAT SALLEH HASSAN
SYARIKAT PENGANGKUTAN MAJU BHD
Bus Services

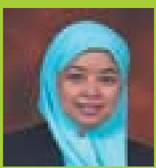
HISAMUDDIN MOHAMED
PRO BIZ SOLUTION SDN BHD
Business Centre

INTRAPRENEUR COMPANIES UNDER KULIM (M) BERHAD / EPA MANAGEMENT SDN BHD

HJ `ALA MANSOR
TMR URUSHARTA (M) SDN BHD
Facilities Management

HJ ISMAIL MAT ALI
CAPAIAN ASPIRASI SDN BHD
Management of Khairat Fund / Corporate Amil Zakat

SH. MOHD FAUZI SH. KHALID
MN KOLL SDN BHD
Landscaping Services



NOOR RUZILAWATI RUDDIN
BISTARI YOUNG ENTREPRENEUR SDN BHD
Managing Bistari Entrepreneurs and Catur Bistari Programmes

HJ KAMARULZAMAN OTHMAN
JTP TRADING SDN BHD sllruC
Trading of Tropical Fruits

HJ ARSHAD BASRI
KULIM CIVILWORKS SDN BHD
Facilities Management

HJ ABD RAHMAN MOHD DAWI
EDARAN BADANG SDN BHD
Agricultural Machineries Distributor

MOHD FAZLEE JAMIL
CITA TANI SDN BHD
Sugar Cane Plantation

ROSLAN OSMAN
RENOWN VALUE SDN BHD
Business in Cultivation of Agricultural Products

AZHAR ABDOL RAHMAN
KULIM LIVESTOCK SDN BHD
Integrated Cattle Rearing

MOHD AZMAN ABD RAHMAN
AKLI RESOURCES SDN BHD
Entrepreneurial and Industrial Training Centre

NURLUKMAL MAT GHANI
KULIM NURSERY SDN BHD
Oil Palm Nursery

HJ MOHD AMRAN A KADIR
SIM MANUFACTURING SDN BHD
Manufacturing of Rubber Products

MOHD ROSLAN MOHD DIN
JTP MONTEL SDN BHD
Marketing of Tropical Fruits

MAT JAIS ABD RAHMAN
SUPERIOR HARBOUR SDN BHD
Fish Farming

MOHAMMAD RAZIN MOHAMAT NOOR
THE SECRET OF SECRET GARDEN SDN BHD
Personal Care Product

AZMAN MISKON
SPECIAL APPEARANCE SDN BHD
Drama and Advertisement

INTRAPRENEUR BUSINESS DIVISION

INTRAPRENEUR COMPANIES UNDER QSR BRAND BHD /KFC HOLDINGS (M) BHD

HJ SUHAIMI SULAIMAN
TEPAK MARKETING SDN BHD
Tea Packaging

MOHD FAIZAL AWANG SOH
RASAMAS KOTA BHARU
RasaMas Restaurant

MOHD NOOR SYAWAL SANUDIN
RASAMAS TEBRAU SDN BHD
RasaMas Restaurant

MOHD IKMAL NIZAM BIN NORDIN
RASAMAS NILAI SDN BHD
RasaMas Restaurant

MASNAWI MOHAMED SOA'AID
RASAMAS BUKIT TINGGI
RasaMas Restaurant

LIM SIEW HONG
RASAMAS MELAKA SDN BHD
RasaMas Restaurant

LIM MOOI HUANG
RASAMAS CARREFOUR SUBANG JAYA
RasaMas Restaurant

EN MOHD ISWAZI MOHD ISA
AYAMAS FARM & HATCHERY
Poultry Farming

NOOR AZLINDA IBRAHIM
RASAMAS WANGSA MAJU
RasaMas Restaurant

MOHARIZIAN MOHD NOR
AYAMAS FEEDMILL SDN BHD
Poultry Farming

MOHD KHIR YADIN
RASAMAS BUTTERWORTH SDN BHD
RasaMas Restaurant

MD QAMARI ALUAN
SEMANGAT JUARA SDN BHD
Poultry Farming

MASTURA RAHMAT
SYNERGY POULTRY FARMING SDN BHD
Poultry Farming

AKIMI FERUZ KASSIM
SOUTHERN POULTRY FARMING SDN BHD
Poultry Farming

LUTFEE AHMAD
VENTURES POULTRY FARMS SDN BHD
Poultry Farming

INTRAPRENEUR COMPANIES UNDER KPJ HEALTHCARE BHD / KPJSB

HJ YAHAYA HASSAN
HEALTHCARE TECHNICAL SERVICES SDN. BHD.
Construction and Management of Hospital Facilities

YUSRI ALI
HEALTHCARE IT SOLUTIONS SDN BHD
Information Technology

ZAINAL ABIDIN LAJAT
TERAJU FARMA SDN BHD
Pharmaceutical Products Distributor

FAIZUL HASRI ZULKAPLI
SCOPE YAKIN (M) SDN BHD
Stationery Supplier

NORITA AHMAD
FABRICARE LAUNDRY SDN BHD
Laundry Services

CORPORATE SOCIAL RESPONSIBILITY

JCORP IS A CORPORATE TRUST ORGANISATION THAT IS ALWAYS FULFILLING ITS WILL TO BECOME A CORPORATE ENTITY THAT GENERATES PROSPERITY AND TAKING CARE OF ITS RESPONSIBILITY IN ASSURING THAT ITS BUSINESS TARGET AND CORPORATE SUCCESS ARE GAINED THROUGH METHODS AND WAYS THAT ARE IN TANDEM WITH THE ISLAMIC SYARIAH PRINCIPLES AS WELL AS THE UNIVERSAL VALUES.

As the world first corporate organisation that implements the Corporate Waqaf, this idea that had been brought forward had been drafted creatively to expand the role of modern waqaf in the context of business and the corporate oriented world.

At JCorp, Associations and Organisations that are non profit-motivated are known as *Organisasi Bisnes Amal ("OBA")*. OBA plays the role as a channel for JCorp to contribute towards the ummatic development from various aspects, ranging from welfare, health leisure and entrepreneurship.

Besides, OBA also functions as a bridge that links among organisations within JCorp or in other words to fulfill its corporate responsibility as a corporate entity to the society in general as well as the staffs of its own. Potential OBA's will be brought to the higher level, be it nationally and internationally.

Until now, 46 OBA's had been constituted by JCorp consisting of 24 OBAs that are registered under the Organisation Registry and six committees. The followings are OBAs that had been identified to have created a great impact to JCorp and the society.

The establishment of Waqaf An-Nur Corporation Berhad ("WANCorp") is found to be effective in fulfilling JCorp's social corporate responsibility.

Apart from managing JCorp's corporate waqaf through benefits that are gained from the waqaf shares, public donations could also be funneled back to the society through programs that had been carried out to increase the social standard by means of strong and independent financial resources through partnerships among companies within JCorp as well as OBA in JCorp such as Golf Amal Klinik Waqaf An-Nur Natoleo and Kulim (Malaysia) Berhad, Majlis Sentuhan Ramadhan ("DPIMJ") as well as Tijarah Ramadhan and Tijarah ("Yayasan JCorp").

WANCorp plays a vital role as a body that is given responsibility to administer and manage JCorp's mosques and Hospital Waqaf An-Nur, as well as Klinik Waqaf An-Nur ("KWAN"). Till present, there are 7 units of mosques inclusive of a mosque in Sibu Island that has contributed to the society, in which not only function as the places of worship, yet also as a knowledge institution and a place of reference to the society in need.

HOSPITAL WAQAF AN-NUR AND KLINIK WAQAF AN-NUR

The year 2009 witnessed the opening of three new premises of Klinik Waqaf An-Nur, which are situated each at Larkin Sentral Johor Bahru, Bukit Indah (Selangor) and Samariang in Sarawak. The openings of these three clinics has totaled up the number of Klinik Waqaf An-Nur to 13 premises across Malaysia. The aim to provide health and dialysis facilities for the less fortunate could be realised.

In the year 2009, as much as 544, 949 treatments had been rendered to the patients of the KWAN branches, and from that number, 31, 192 or 5.7% are non-Muslim patients, while the patients with kidney failure at HWAN and four chains of KWAN are 115 patients.

Klinik Waqaf An-Nur chain within the state of Johor receives aids from KPJ Healthcare Berhad Groups Of Hospitals so that the deficiency in its operational cost is dealt with. Besides that, it also receives contribution from Tabung Dana Klinik Waqaf An-Nur through the sources gained from Golf Amal tournament and donations from the public. Moreover, the lacking will be supported by the foster hospitals of KPJ Healthcare Berhad Group that had been allocated specifically to each KWAN.

WAQAF DANA NIAGA

In fulfilling the responsibility as a Muslim corporate organisation, Waqaf Dana Niaga (Qardul Hassan fund) is established with the aim of helping prospective entrepreneurs and the existing small-scaled entrepreneurs through providing capital to develop and smoothen their businesses. This initiative is to support those who are involved in the field of business apart from providing consultations through business companionship known as Ikhwan Muamalat.

In 2009, as many as 122 individuals have received financial aids totaled up to RM 247,750 consisting of 92 women and 31 men. The integration of this effort is targeted to midle and low income single-mothers and housewives.

Eventually, the Program Usahawan Bistari – Sudut Ayamas was implemented with the cooperation from KFC Marketing Sdn Bhd and the local authority. The participants of this programme were equipped with a freezer and rack to be placed at their residences together with retail items valued at RM650 as the rolling capital.

This partnership program has witnessed their success in increasing economic and life standard. In 2009 as many as 40 participants were chosen for this program.

WAQAF BRIGADE

To accomplish corporate social responsibility that had been the back bone to the corporate trust institution, JCorp always sustains a broad dimension with the establishment of Waqaf Brigade under the management of WANCorp that is a volunteer organisation that provides humanitarian aids especially in times of natural disaster and tragedy. Waqaf Brigade is also supported by Companies in JCorp Group of Companies that is divided into 5 crucial functions represented by teams named after Muslim figures, being Ali Bin Abi Talib (Voluntary), Salahudin Al Ayubi (Medical), Umar Bin Al Khatttab (Logistics), Tariq Bin Ziad (Food) and Khalid Bin Al Walid (Cleaning).

CORPORATE SOCIAL RESPONSIBILITY

Holding to the vision of becoming the most outstanding Islamic voluntary organisation in calamity management nationally and internationally; in 2009, Waqaf Brigade has proven its prevalence with the recognition awarded by Majlis Keselamatan Negara or National Security Council ("MKN").

This recognition has enabled Waqaf Brigade to run *Misi Bantuan Gempa Bumi* in Padang, Western Sumatra, Indonesia from 12 to 19 October 2009. 10 elite members were chosen to bring with them food and medical supply valued at RM112, 000. Also provided was free field clinical service to 557 patients for out-patient and emergency.

AT TIJARAH AND TIJARAH RAMADAN

In order to produce the efficient business mind and to inculcate the strength of wide business culture to the Malaysian community, JCorp in collaboration with with Dewan Perdagangan Islam Malaysia or Malaysian Islamic Chamber of Commerce ("DPIM") and Jabatan Kemajuan Islam Malaysia ("JAKIM") has continued the At-Tijarah Program of 13 episodes for season 5. In 2009, At-Tijarah was put afore in different concept, that is to track Malaysian Muslim entrepreneurs who have succeeded in business overseas.

Tijarah Ramadhan Program also offers business companies and organisations to feature their charitable and social activities undertaken, through the medium of television. This is because, besides the business success and the profit gained by companies in JCorp Group of Companies and other companies particularly, It is their responsibility and trust upon them to help the Malaysian unfortunate citizens.

The year 2009 has also witnessed the participation of other companies involving in episodes of Tijarah Ramadan together with companies within JCorp Group and this also contributes to Tabung Tijarah Ramadhan (Tijarah Ramadhan Fund). The fund collected from this program amounted to RM 397, 731.03, inclusive of contributions received through Short Messaging System (SMS). As many as 2,500 people including needy bodies from all over Malaysia regardless of race and religion have received aid totaling RM283,848.50 to relieve their burden.

PERSATUAN PANCARAGAM MALAYSIA (PPM) (MALAYSIAN BAND ASSOCIATION)

In the year 2009, JCorp has successfully established Persatuan Pancaragam Malaysia (Malaysian Band Association). The objective of this association is to gather brass bands around Malaysia and to improve the skill of playing the brass band instruments. YAM Raja Zarith Sofiah Binti Almarhum Sultan Idris, has shown her willingness to become the patron of the association.

PPM has successfully organised Malaysia Wind Orchestra Competition 2009 on 6 December 2009 at Persada Johor, in collaboration with JCorp and Universiti Pendidikan Sultan Idris. This year would be the second year of this event's organisation which has began since 2008 and renowned as *Pertandingan Wind Orchestra Antara Institut Pengajian Tinggi* (Inter-Varsity Wind Orchestra Competition). The competition is part of the Malaysia World Band Competition event which was organised from 5 December to 18 December 2009 in Terengganu, Kuala Lumpur and Putrajaya.

This competition is aimed at strengthening the relationship between Wind Orchestra Groups and PPM that was established by JCorp. This competition is also a platform to choose the best group to represent Malaysia in the international competition of Wind Orchestra in the near future.

Eventually, The Kuala Lumpur World Marching Band Competition ("KLWMBC") which was officially opened on 15 December 2009 and held for 6 days featured performances by 12 countries with over 25 bands. KLWMBC was one of the most prestigious marching band competition ever participated by JCorp through KFC as one of its affiliated sponsors. The competition was furious, the performances were colourful, and the bands were loud and proud. All vying for the glory of being crowned KLWMBC Champions of 2009. The recorded telecast of this competition was aired on Astro channel 118.

PERSATUAN PELAYARAN JOHOR AND PERSATUAN PELAYARAN MALAYSIA (JOHOR SAILING ASSOCIATION AND MALAYSIAN SAILING ASSOCIATION)

Johor Corp also becomes the pioneer in sports through its involvement in *Persatuan Pelayaran Johor and Persatuan Pelayaran Malaysia* (Johor Sailing Association and Malaysian Sailing Association). This OBA functions actively in encouraging and developing sailing sports at state level. Sailors now have achieved astonishing victories internationally. Although relatively new, they have the capability to compete amid other athletes from other states that are better experienced in the sailing sports in this country. Seven locals from Pasir Gudang are chosen to join the national team and full-time training at Pusat Latihan *Perahu Layar Kebangsaan* or National Training Center for Sailing at Langkawi Kedah.

Two Johorean athletes, Nurliyana Muhamad Latif and Nuraisyah Jamil, aged between 11 to 13 years from Kampung Kopok Pasir Gudang has attained plausible places in international sailing tournaments. Nuraisyah Jamil won the under 12 Optimist categories and Optimist Open in the Qatar International Sail of the Gulf Sailing Tournament in 2009.

The same goes to Nurul Izzatul Akmar Mohd Ruzaimi who also comes from Kampung Kopok Pasir Gudang. She became the runner up in Optimist Team Categories in the ASEAN Optimist Sailing Championship 2007 in Batam Indonesia. She also contributed a silver medal for the state of Johor in the 12th Sukma which took place in Terengganu last year through Optimist Women Category.

DEWAN PERDAGANGAN ISLAM NEGERI JOHOR (DPIMNJ) (JOHOR ISLAMIC CHAMBER OF COMMERCE) ("DPIMNJ")

Dewan Perdagangan Islam Negeri Johor or Johor Islamic Chamber of Commerce ("DPIMNJ") was established in 2001 with the cooperation from *Dewan Perdagangan Islam Malaysia* ("DPIM") or Malaysian Islamic Chamber of Commerce. The primary target of DPIM is to excel the trade and industries with the Muslim's all-round involvement in order to improve the standard and continuation of success in Muslim community's economy. JCorp's involvement in DPIMNJ is to incorporate more Muslim entrepreneurs especially in the state of Johor so that together, ummatic development is prioritised.

DIDIK BISTARI, TUNAS BISTARI AND SISWA BISTARI

The *Didik Bistari, Tunas Bistari* and *Siswa Bistari* were launched by Bistari Johor Berhad ("BISTARI") with the objective to nurture the spirit of entrepreneurship among the secondary students. This program has successfully trained students from the primary, secondary and university level with regards to the basic principles and practicality to become successful entrepreneurs.

CORPORATE SOCIAL RESPONSIBILITY

JCorp's involvement commenced in 1992 with the beginning of *Tunas BISTARI* Program, followed by *Siswa BISTARI* in 2004 and *Didik BISTARI* in 2005. As the sequel, JCorp has deployed *Catur BISTARI* business game in 2008.

The *Tunas BISTARI* Program was launched by JCorp in cooperation with the State Education Department and the District Education Department of Johor. This program is opened to all secondary schools in Johor. The *Tunas BISTARI* Program started with the participation of three secondary schools. Since its launching till present, 157 secondary schools all over Johor have participated in the program which engaged 14,148 students.

Among the objectives of organising *Tunas BISTARI* Program are to nurture, inculcate and cultivate the culture of entrepreneurship among school youngsters in terms of providing them as well as the undergraduates with the early exposure with regards to the multi-challenges and competitions in the world of business.

Throughtout 18 years of its implementation, various successes had been achieved by *Tunas BISTARI* Program especially in the national level, for instance, at the *Konvensyen Program Usahawan Muda Peringkat Nasional* (National Young Entrepreneurs Convention Program) organised by Institut Keusahawanan Negara ("INSKEN") or National Istitute of Entrepreneurship.

As much as 36 awards had been attained, inclusive of The Best Company, Consultative Teacher Award and The Best Organiser.

Meanwhile, The *Siswa BISTARI* Program was launched in March 2004 through partnership agreement between JCorp and Universiti Teknologi MARA ("UiTM") Johor Campus. This program was implemented in realising the strategic plan of UiTM Johor that is to establish 'strategic alliance' which is also to fulfill JCorp's own plan intended upon creating the consequence of *Tunas Bistari* Program. Focus of the program is given to the development of the prospective undergraduate entrepreneurs to the extent that they are capable of handling larger and more complex business organisation.

The success of *Siswa BISTARI* in collaboration with UiTM Johor has instigated JCorp to expand this program to UiTM Shah Alam in 2006 which witnessed instutionalisation of 6 other companies.

Ever since its constitution till present, 26 Siswa BISTARI companies had been established with the participation of 260 undergraduates, each 9 companies in UiTM Segamat Johor and 17 companies in UiTM Shah Alam.

In the midst *Didik BISTARI* Program began with 10 primary school participations within the districts of Johor Bahru and Pasir Gudang. Since its launching, as much as 102 primary schools participated in this program with the involvement of 2,230 primary students.

Through BISTARI Club, JCorp has managed to combine the individual and corporate entrepreneurs to improve partnership opportunities among Bumiputera entrepreneurs. Among the club activities are discussion session, book review session, experience sharing session, management seminar and trade trip.

CATUR BISTARI

Catur Bistari is an Islamic oriented business board game activity which introduces leisure learning concept that could generate impact to the level of understanding and intensify learning process. Catur Bistari was created and marketed by JCorp's subsidiary, Bistari Young Entreprenurs Sdn Bhd with the aim to initiate the interest and awareness to the players with regards to the importance of entrepreneurship and finance management aspects and nurturing values of successful entrepreneurs.

Apart from entertaining, this game shapes the aspiration of doing business and eventually could explore business as a career, charity and jihad.

At the moment, Catur Bistari has entered a new dimension in reality entertainment whereby JCorp in collaboration with Jabatan Kemajuan Islam Malaysia or Islamic Development Department of Malaysia ("JAKIM") has organised 13 episodes of reality TV program on TV1.

MUTIARA JOHOR CORPORATION

Mutiara Johor Corporation ("Mutiara JCorp"), a women club pioneered by YBhg Puan Sri Datin Noorzilah Mohammed Ali whereby its membership is among the famale staff and spouses of staff. Mutiara JCorp is one of the active associations which run welfare and academic activities among its members as well as to the society in general.

PERSATUAN KEBAJIKAN DARUL HANAN

JCorp through Mutiara JCorp also expands charity to the society especially the orphans and the less-fortunate with the set up of Persatuan Kebajikan Darul Hanan. This orphanage was opened with the intention of helping the less-fortunate orphans and children of the poor. The board of committee, chaired by Puan Sri Datin Noorzilah Mohammed Ali herself is directly involved in the management of Darul Hanan. Committees are divided into number of functions and responsibilities, among those being the Disciplinary Bureau, the Academic Bureau, the Social and Welfare Bureau and Health Bureau.

Darul Hanan stresses upon knowledge to ensure that the orphans and children of the poor under their care would achieve high academic standard for the sake of the better future and proper life. For the year 2009, as many as 26 male and 28 female occupants are under the care of Darul Hanan. Meanwhile, 9 children under their care are at present pursuing their tertiary education.

Also in 2009, Darul Hanan was chosen as the host for the 16th Johor State Level Quranic Recitation Competition. This event was participated by 9 orphanage institutions under the Jawatankuasa Penyelaras Anak-anak Yatim Negeri Johor (Johor Secretarial Committee for the Orphans). A total of 9 categories which comprised of Primary and Secondary (boys and girls) were contested.

PERSATUAN KELUARGA PERBADANAN JOHOR (PKP KOTARAYA) (THE FAMILY SOCIETY OF JOHOR CORPORATION)

JCorp's employees make up the membership of PKP Kotaraya that is established to cater the member's charity. Among the largest events ever been organised by PKP Kotaraya are Family Day and Hari Raya celebration. Recognition is also awarded to the employee's children that have achieved excellent results in the major examinations such as UPSR, PMR and SPM inclusive of those who chance to further their studies to a higher level.

CORPORATE SOCIAL RESPONSIBILITY

2009 CONTRIBUTIONS TO SOCIETY JCORP AND GROUP OF COMPANIES

DETAILS	AMOUNT
Contribution to the needy nationwide by Tabung Tijarah Ramadan from the year 2005 to 2009	RM962,059.54
Commitment and contributions from JCorp's and Group of Companies to the society and NGO for charity programs	RM16,452,168.57
Number of kariahs of Masjid An-Nur Chain	15,000 people
Medical treatment for the KWAN patients since established to 2009: Number of overall treatments Treatments delivered to the non-Muslim	 558,035 patients 32,627 patients
Charity allocation of Waqaf An-Nur Corporation Berhad's benefit in 2009: Fi Sabilillah Allocation Johor Islamic Council	 RM984,139 RM196,828
Waqaf Dana Niaga Program Fund size: Qardul Hassan aid to the participants Number of participants since established	 RM214,000.00 RM274,000.00 122 people
Waqaf Brigade Aid mission to the victims of Padang earthquake in Padang, food and medical aid	 RM112,000.00

SECTION 5
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

IT HAS ALWAYS BEEN THE POLICY OF JOHOR CORPORATION ("JCORP") STRICTLY ADHERES TO GOOD CORPORATE GOVERNANCE IN ITS OPERATIONS. CHANGES IN BUSINESS ENVIRONMENT AND THE WAY BUSINESSES ARE OPERATED HAS BECOME A MAJOR FACTOR IN THE ESTABLISHMENT OF AN ORGANISATION'S CORPORATE GOVERNANCE STRUCTURE. AS SUCH, BEING A STATE-OWNED ENTERPRISE AND STATUTORY BODY, JCORP IS REQUIRED TO COMPLY WITH SPECIFIC REGULATIONS AND LAWS, NAMELY JOHOR CORPORATION ENACTMENT NO. 4 OF 1968 (AS AMENDED BY ENACTMENT NO. 5 OF 1995) ("THE ENACTMENT") AND INCORPORATION (STATE LEGISLATURES COMPETENCY) ACT 1962 (ACT 380).

JCorp has continuously pursued good corporate governance in all its activities and business transactions of its companies within the Group through its Board of Directors, Companies Administration System and Governance Committees. We take pride in our standard of corporate governance and in the reputation we have built. We believe these are essential in building an enduring brand value and achieving sustains stakeholder value. JCorp Group also observes high standards of corporate conduct in line with the principles and guidelines of the revised Malaysian Code on Corporate Governance (where applicable).

We have put in place a corporate governance structure with clear internal control system, reporting and responsibility lines, and procedures that are easily understood. The Group's corporate governance practices are outlined in the following sections.

THE BOARD OF DIRECTORS

Composition

JCorp's Board of Directors ("the Board") currently consists of a Chairman, the President and Chief Executive, three officials of the Johor Civil Service (the State Secretary, the State Legal Adviser and the State Financial Officer), three representatives of the Federal Government (the Secretary General to the Ministry of International Trade & Industry, the Director of Budget Management Division (Treasury) to the Ministry of Finance and the Director General of Public Private Partnership Unit of Prime Minister's Department and three independent members appointed amongst the politician and business community. The President and Chief Executive is the only Executive Director. Each director brings to the Board his skills, experience, insights and good judgement.

Duties and Responsibilities

The Board takes responsibility for the overall performance of JCorp. The Board establishes the vision and objectives of JCorp, overseeing the adequacy and integrity of JCorp's strategies, financial performance, business issues and internal control system.

As stipulated by the Enactment, the Chairman shall not be the President and Chief Executive and their roles are separate. The President and Chief Executive exercises control over the quality and timeliness of information flow between the Board and Management.

The Chairman, on the other hand, is independent of management and is responsible for the workings of the Board, ensuring that Board members engage the Management in constructive debate on various matters including strategic issues and business planning processes.

Board Meetings

The Board meets according to the schedule that has been set minimum of four times annually to analyze the performance of JCorp and resolve on matters related to policy and strategic business issues of JCorp and its Group of Companies. The Chairman may at any time call a meeting and shall, upon the written request of not less than five members of the Board, call a special meeting thereof within one month of the date of such request. In 2009, the Board met four times.

JCorp however, believes that contributions from each director can be reflected in ways other than by reporting their attendance at the Board and Board committee meetings. Thus, it has chosen not to focus solely on attendances at formal meetings as this may lead to a narrow view of a director's contributions.

Board Committees

To ensure smooth operations and facilitate decision-making, and at the same time ensure proper controls, the Board is supported by three board committees, namely the Audit Committee, Strategic Planning Committee and Tender Committee. Management functions are delegated to the Group Top Management Committee ("TERAJU") and various governance committees.

Access to Information

Management provides adequate and timely information to the Board on Board affairs and issues requiring Board's decision. It also provides on-going reports relating to operational and financial performance of the Group. The Secretary attends to corporate secretarial administration matters.

COMPANIES ADMINISTRATION SYSTEM

All company secretarial functions in companies whereby JCorp is the main shareholder are undertaken by Pro Corporate Management Services Sdn Bhd ("Pro Corporate"), the company secretary service provider for the Group. Pro Corporate's function is supported by qualified secretaries and is responsible in ensuring that all companies meet all statutory requirements under the Companies Act 1965 and where applicable, the Listing Requirements of Bursa Malaysia and the Securities Commission's Guidelines. It is also their responsibility to ensure that the board of directors complies with the companies policies set forth and achieved its objectives. The appointment of company secretaries are determined and approved by TERAJU.

All appointments of directors are administered by Pro Corporate on an annual basis. The criteria in the appointment are set forth as follows:

Director

- Passed all mandatory examinations;
- Has been in employment for a minimum of five years.

Deputy Chairman

- Has been a director for a minimum of eight consecutive years;
- Holding a minimum post as a Manager.

Chairman

- Has been a director for a minimum of ten consecutive years;
- Holding a minimum post as General Manager.

GOVERNANCE COMMITTEES

JCorp adopts an elaborate decision-making structure and system embodying the principles and practice of 'Syura'. The Corporate Office plays important role in ensuring all decisions are approved by the respective committees.

Group Top Management Committee ("TERAJU")

The Committee consists of nine members and is chaired by the President and Chief Executive. Its roles include discussing and deciding on strategic issues relating to JCorp and its Group of Companies.

Teraju Korporat Committee

The Committee is chaired by the Senior Vice President of Finance and Corporate Services and comprises of eight members. Its roles includes endorse and ratify all decisions made at the various committees i.e. Executive Committee ("EXCO"), Finance and Investment Committee ("KEMUDI"), etc.

Executive Committee ("EXCO")

The Committee comprises of twelve members amongst the management of JCorp and is chaired by the General Manager of Corporate Services. It deliberates on operational matters and forward recommendations to Teraju Korporat Committee.

Finance and Investment Committee ("KEMUDI")

The Committee comprises of nine members amongst the management of JCorp and is currently chaired by the General Manager of Finance. It deliberates on all financial matters and forward recommendations to Teraju Korporat Committee.

Investment Review Committee ("JAWS")

The Committee deliberates on all new investments and projects and comprises of ten members appointed amongst the senior management of companies within JCorp Group. At present, it is chaired by the Senior General Manager of Sindora Berhad.

Besides the five main committees mentioned above, there are more than thirty governance committees which have their specific terms of reference and functions in monitoring Group's operations. The committees, among others are Strategic Planning Committee, Rehabilitation Committee, Kemudi Korporat (Accounts) Committee, Quarterly Report Committee, Agreement Committee, Group Remuneration and Nomination Committee, Corporate Synergy & Restructuring Committee and Risk Management Committee.

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE IN LISTED ENTITIES WITHIN JCORP GROUP

There are eight listed entities within JCorp Group, of which seven are listed on the main board of Bursa Malaysia namely Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Sindora Berhad, Damansara Realty Berhad, QSR Brands Berhad, KFC Holdings (Malaysia) Berhad and Al-Aqar KPJ REIT. Meanwhile, New Britain Palm Oil Ltd is dual listed on Port Moresby Stock Exchange and London Stock Exchange. As listed entities, the demand for implementing good corporate governance is increasing. They are required to always comply with various terms and conditions issued by stock exchanges on which the shares are registered and listed. Each company has its own board of directors and audit committee.

TRANSPARENCY

Transparency in the decision making process

Several examples of the implementation of the transparency aspect include the information infrastructure development in the forms of the intranet and knowledge management. The knowledge management is the employees' means to give various information in the forms of suggestions and ideas. Those who express bright ideas and innovations that can be chosen to be implemented/adopted will receive awards from the management or receive a certification through Cempaka Scheme and Quality Convention. In addition, JCorp has also developed a whistle blowing communication channel namely Ethics Declaration Form, which is expected to be used by the employees to provide direct input to the President and Chief Executive should they find any irregularities and/or counterproductive behaviours among staff.

Transparency to business partner

To boost transparency to all business partners, JCorp extends the Ethics Declaration Form to the contractors, suppliers and vendors.

Transparency in assessing employees' performance

Each employee is appraised based on achievement of individual set of Key Performance Indicators ("KPI") which was agreed at the beginning of the year. The Human Resource Management and Administration Department together with the respective heads of department will present result of the appraisals to the Performance Appraisal Committee.

JCorp also adopts the Reverse Appraisal system where the Senior Executives and above will be appraised by the subordinates and fellow employees.

ACCOUNTABILITY AND AUDIT

In presenting the annual financial statements the Directors aim to present an accurate and balanced assessment of the Group's financial position and prospects. The Audit Committee reviews the annual financial statements to ensure that appropriate accounting policies are consistently applied and supported by reasonable judgements and estimates and that all accounting standards which they consider applicable have been followed.

Internal Control

The Statement of Internal Control that provides an overview of the state of internal control is set out on page 131.

Relationship with Auditors

The Board, through the Audit Committee maintains a transparent and appropriate relationship with the internal and external auditors. The role of the Audit Committee in relation with the auditors is illustrated in the Audit Committee Report set out on page 129.

AUDIT COMMITTEE REPORT

COMPOSITION

BOARD AUDIT COMMITTEE ("BAC") IS CHAIRED BY DATUK DR. HARIS BIN SALLEH, AN INDEPENDENT MEMBER OF THE BOARD. OTHER MEMBERS ARE TAN SRI DATUK DR. HADENAN A. JALIL AND PUAN ZAINAH BTE MUSTAFA, INDEPENDENT DIRECTORS OF LISTED COMPANIES OUTSIDE AND WITHIN JCORP GROUP RESPECTIVELY. THE GROUP CHIEF AUDITOR IS THE SECRETARY OF BAC.

Tan Sri Datuk Dr. Hadenan is the former Auditor General of Malaysia and Puan Zainah is a Fellow of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom.

ATTENDANCE AT MEETINGS

BAC meets on a scheduled basis at least twice a year. The Senior Vice President of Finance & Corporate Services attends BAC meetings by invitation. In 2009, BAC met in three occasions as follow:

MEMBERS	DATE OF MEETING		
	09/04/2009	13/08/2009	05/11/2009
Datuk Dr Haris Bin Salleh	✔	✔	✔
Tan Sri Datuk Dr Hadenan A. Jalil (appointed on 28 April 2009)		✔	✔
Zainah Binti Mustafa	✔	✔	✔

DUTIES AND RESPONSIBILITIES

The role of BAC includes:

Internal Control

- Consider the effectiveness of the company's internal control over its financial reporting, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over:
  - Reliability and accuracy of financial reporting;
  - Effectiveness and efficiency of operation;
  - Compliance with applicable laws, rules and regulations; and
  - Safeguarding of assets.

Internal Audit

- Review reports by the Internal Audit Committee of JCorp Group ("IAC").
- Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- Consider the major findings of internal investigations and management's response.
- As necessary, meet separately with the Group Chief Auditor to discuss any matters that the BAC or the Group Chief Auditor believes should be discussed privately.

External Audit

- Meet separately with the external auditors to discuss any matters that the BAC or the external auditors believe should be discussed privately.
- Review the external auditors' management letter and response from management.
- Review the appointment of the external auditors, the audit fee and any questions of resignation or dismissal before making recommendations to the Board.;
- Discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.

Financial Statements

Review the year-end financial statements of JCorp, focusing particularly on:

- Any changes in accounting policies and practices;
- Significant adjustments arising from the audit;
- The going concern assumption; and
- Compliance with accounting standards and other legal requirements.

AUDIT COMMITTEE REPORT

Risk Management

- Review risk management reports by the Risk Management Committee ("RMC") and to discuss any significant risk or exposure and assess the steps that management had taken to minimise the risks.

Other Responsibility

- Perform other activities related to its term of reference and other areas as requested and defined by the Board.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2009, the activities of the BAC included the followings:

- Review reports by the IAC which had held its meetings on 31 March, 4 August and 30 October 2009;
- Review and approved the Internal Audit Plan for the year;
- Discuss problems and reservations arising from the interim and final audits, and any matter both internal and external auditors may wish to discuss (in the absence of management where necessary);
- Review the adequacy of the scope, functions and resources of the external auditors, and that it has the necessary authority to carry out its work;
- Review the results of year-end audit by the external auditors and discussed the findings and other concerns of the external auditors;
- Review reports by the RMC which had held its meetings on 25 March, 7 August and 28 October 2009.

INTERNAL CONTROL STATEMENT

JCORP'S *SISTEM PEKASA* (INTERNAL CONTROL SYSTEM) ENSURES THAT ASSETS ARE SAFEGUARDED, PROPER ACCOUNTING RECORDS ARE MAINTAINED, AND THAT FINANCIAL INFORMATION USED WITHIN THE BUSINESS AND FOR PUBLICATION IS RELIABLE.

BAC responsibilities are complemented by the work of the IAC, RMC and Audit Committees of the respective listed companies.

BAC has reviewed the effectiveness of the Group's system of internal controls in the light of key business and financial risks affecting its operations. Based on the audit reports of internal auditors, BAC is satisfied that there are adequate internal controls in place within the Group.

THE MAIN FEATURES OF THE CONTROL SYSTEM ARE:

Control Framework

The Group's strategy is formulated by the management team and approved by the Board. Management has the ultimate responsibility for implementing plans, identifying risks and ensuring appropriate control measures are in place. This is achieved through an organisational structure that clearly defines responsibilities, levels of authority and reporting procedures.

The Group adopts The Committee of the Sponsoring Organisation of the Traedway Commission's ("COSO") Internal Control Framework and has in place manuals on policies and procedures for accounting and financial reporting, capital expenditure appraisal, delegation of authorities and authorisation levels, treasury risks management, property operations and human resource management.

Financial Reporting

Detailed budgets prepared by each division are reviewed by the Strategic Planning Committee before the consolidated budget is approved by the Board. KPI and operating results are prepared and monitored against budgets.

Operating Controls

The Group's management teams operate within the Group's guidelines on operating procedures, designed to achieve optimum operating efficiency and service effectiveness, and the planned financial results. Specific controls are in place to ensure prudent financial management, safeguard assets from physical loss, and insurance at appropriate levels.

Investment Appraisal

The Group has clearly defined procedures for the approval of investments and other capital expenditures. Planned expenditure is set out in the annual budget. Approval of capital expenditure commitments is made in accordance with the delegated authority levels approved by the Board. All major investment proposals are subjected to review by the Panel and Main JAWS, before being presented to TERAJU and the Board for approval.

Monitoring Controls

The effectiveness of internal financial control systems and operational procedures is monitored by Management and audited by the Group Corporate Assurance ("GCA") function of JCorp. GCA adopts a risk-based audit plan, an approach whereby the auditor focuses on the factors that affect, beneficially or adversely, the achievement of the objectives of the organisation and its operations. Its scope covers the risks themselves, and the way in which those risks are governed, managed and controlled. It then reports to IAC/BAC on internal control weaknesses and monitors the implementation of recommendations for improvements.

INTERNAL AUDIT

The internal audit function is undertaken by GCA, supported by the internal audit departments of the respective listed companies. GCA plans its internal audit schedules each year in consultation with, but independent of Management; and its plan is submitted to IAC/BAC for approval.

JCorp is a corporate member of the Institute of Internal Auditors Malaysia. GCA subscribes to, and is guided by the International Standards for the Professional Practice of Internal Auditing ("the Standards") and has incorporated these Standards into its audit practices. The Standards cover requirements on:

- Independence
- Professional proficiency
- Scope of work
- Performance of audit work
- Management of the Internal Audit activities.

GCA's internal audit activity was certified 'Generally Conform' with the Standards. To ensure that the internal audits are performed by competent professionals and technical knowledge remains current and relevant, GCA provides appropriate training and development opportunities to its staff, including the Certified Internal Auditor ("CIA") programme. At present, there are fourteen practicing CIAs throughout JCorp Group.

RISK MANAGEMENT STATEMENT

THE FUNCTION OF RISK MANAGEMENT IS TO PROVIDE A SOUND CONTRIBUTION TO THE ACHIEVEMENT OF JCORP CORPORATE OBJECTIVES AND TO SUPPORT THE STRATEGIC DIRECTIONS OF THE GROUP. JCORP IS COMMITTED TO ESTABLISHING AN ORGANISATIONAL PHILOSOPHY AND CULTURE THAT ENSURES EFFECTIVE BUSINESS RISK MANAGEMENT IS AN INTEGRAL PART OF ALL GROUP ACTIVITIES AND A CORE MANAGEMENT CAPABILITY. RISK MANAGEMENT ALLOWS JCORP TO TAKE ADVANTAGE OF OPPORTUNITIES TO IMPROVE ITS OUTCOMES AND OUTPUTS BY ENSURING THAT ANY RISK TAKEN IS BASED ON INFORMED DECISION-MAKING AND ON REALISTIC ANALYSIS OF POSSIBLE OUTCOMES.

JCorp is also committed to business continuity management as an integral component of risk management to ensure continuity of key business processes which are essential for or contribute to JCorp's objectives.

JCorp recognises that it is obliged to systematically manage and regularly review its risk profile at a strategic, financial and operational level. JCorp has done this by developing/adopting a risk management framework that determines the process and identifies tools for realising its objectives. Not only does it wish to minimise its risks but also maximise its opportunities.

The Risk Management Framework's scope is Group-wide. The framework is managed by the Enterprise Risk Management ("ERM") function with content input from those with accountability in specific areas. An on line risk register namely JCorp Risk Information System ("KRIS") was developed to ease the updating process and the risk will be regularly reviewed at portfolio level and subsequently ranked, deliberated and reported to TERAJU, BAC and the Board.

SECTION 6
FINANCIAL STATEMENTS

CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENT OF JOHOR CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2009

The Financial Statement of Johor Corporation and the Group for the year ended 31 December 2009 have been audited by my representative. This financial statement is the responsibility of Johor Corporation's management. My responsibility is to audit and give an opinion on this Financial Statement.

The audit has been conducted in accordance with the Audit Act 1957 and guided by approved auditing standards. The standards require the audit to be planned and performed to obtain reasonable assurance as to whether the financial statement is free of material error or omission. The audit includes examining the records on a test basis, verifying evidence supporting the amounts and ensuring adequate disclosures in the Financial Statement. The audit also includes assessing the accounting principles used, significant projections by management and the overall Financial Statement presentation. I believe the audit performed provides a reasonable basis for my opinion.

In my opinion, the Financial Statement give a true and fair view of the financial position of Johor Corporation and the Group as at 31 December 2009, its operating results and the cash flow for the year based on the approved accounting standards.

I have considered the Financial Statement and the audit reports for all the subsidiaries not audited by me as stated in the notes to the Consolidated Financial Statement. I am satisfied that the said Financial Statements had been consolidated with the Financial Statement of Johor Corporation are in a form and content appropriate and proper for the purpose of preparing the Consolidated Financial Statement. I have also received satisfactory information and explanation required for that purpose.

The auditor's report on the Financial Statements of the subsidiaries were not subject to any qualification that will affect the consolidated Financial Statements.

(TAN SRI DATO' SETIA AMBRIN BIN BUANG)
AUDITOR GENERAL OF MALAYSIA

PUTRAJAYA
22 APRIL 2010

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The Directors are pleased to submit their annual report together with the audited Financial Statements of the Group and of the Corporation for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

Johor Corporation was incorporated under the Johor Corporation Enactment (No. 4, 1968), (as amended by Enactment No. 5, 1995) as a development agency and public enterprise. The Corporation is principally engaged in palm oil business, property development and management and investment. The principal activities of the Group consist mainly of palm oil business, healthcare services, property development and management, intrapreneur ventures, quick service restaurants and investments.

FINANCIAL RESULTS

	Group	Corporation
	RM Million	RM Million
Profit before tax	670	100
Tax	(224)	(1)
Profit after tax but before minority interests	446	99
Minority interests	(342)	-
Profit attributable to the Corporation	104	99

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Johor Corporation granted ESOS in 2004 and 2008 respectively for eligible employees in the Group. Further information on the ESOS are set out in Note 7 to the financial statements.

DIRECTORS OF JOHOR CORPORATION

The Directors who served since the date of the last report are:-

YAB Dato' Haji Abdul Ghani Bin Othman	(Chairman)
YBhg Tan Sri Dato' Muhammad Ali Bin Hashim	(President and Group Chief Executive)
YBhg Tan Sri Dato' Abdullah Bin Ayub	
YB Datuk Haji Ahmad Zahri Bin Jamil	(Appointed: 9 September 2009)
YB Dato' Haji Abd Latiff Bin Yusof	
YB Datuk Abdul Rahman Putra Bin Dato' Haji Taha	
YB Datin Paduka Zainon Binti Haji Yusof	
YBhg Tan Sri Dato' Abdul Rahman Bin Mamat	
YBhg Datuk Haji Musa Bin Muhamad	(Retired: 30 April 2009)
YBhg Dato' Dr Ali Bin Hamsa	(Appointed: 9 November 2009)
YBhg Datuk Dr Rahamat Bivi Binti Yusoff	
YBhg Datuk Dr Haris Bin Salleh	

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the Income Statements and Balance Sheets of the Group and of the Corporation were made out, the Directors took reasonable steps to ascertain that:

(a) proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) all current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Corporation had 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:

(a) that would render the amounts written off for bad debts, or the amount of the provision for doubtful debts in the financial statements of the Group and of the Corporation inadequate to any substantial extent; or

(b) that would render the values attributed to the current assets in the financial statements of the Group and of the Corporation misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Corporation misleading or inappropriate.

No contingent or other liability 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 Corporation to meet their obligations when they fall due.

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

(a) any charge on the assets of the Group or of the Corporation that has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Corporation that has arisen since the end of the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009 CONTINUED

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:-

(a) the results of the Group's and of the Corporation's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) except as disclosed in the financial statements, there has not arisen in the interval between the end of the year and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Corporation for the financial year in which this report is made.

Signed on behalf of the Board of Directors

DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman

TAN SRI DATO' MUHAMMAD ALI BIN HASHIM
President and Group Chief Executive

Johor Bahru

12 April 2010

STATEMENT BY CHAIRMAN AND ONE OF THE DIRECTORS OF JOHOR CORPORATION (GROUP ACCOUNTS)

We, Dato' Haji Abdul Ghani Bin Othman and Tan Sri Dato' Muhammad Ali Bin Hashim, being the Chairman and one of the Directors of Johor Corporation, do hereby state that, in the opinion of the Directors, the accompanying financial statements as stated in the Balance Sheets, Income Statements, Statements of Changes in Equity and Cash Flow Statements set out together with the notes to the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Corporation as at 31 December 2009 and of the results and cash flow for the year then ended.

Signed on behalf of the Board of Directors:

DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman

TAN SRI DATO' MUHAMMAD ALI BIN HASHIM
President and Group Chief Executive

Johor Bahru

12 April 2010

DECLARATION MADE BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF JOHOR CORPORATION

I, Kamaruzzaman Bin Abu Kassim, the officer primarily responsible for the financial management and accounting records of the Group and Johor Corporation, do solemnly and sincerely declare that the financial statements shown in the Balance Sheets, Income Statements, Statements of Changes in Equity and Cash Flow Statements set out together with the notes to the financial statements are in my knowledge and opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed)
at Johor Bahru)
on 12 APRIL 2010)

....

Before me,

PESURUH JAYA SUMPAH
NO J 150
Nama: AMINAH BINTI ABDULLAH
MALAYSIA

S20B-PODIUM 1
MENARA ANSAR
JOHOR BAHRU

COMMISSIONER FOR OATHS

CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Amounts in RM million unless otherwise stated

		Group		Corporation	
	Note	2009	2008	2009	2008
Continuing operations					
Revenue	3	8,193	6,282	500	427
Cost of sales		(5,057)	(4,272)	(218)	(186)
GROSS PROFIT		3,136	2,010	282	241
Other incomes	4	312	219	104	198
Distribution expenses		(1,398)	(479)	(10)	(6)
Administrative expenses		(856)	(612)	(42)	(48)
Other expenses	5	(239)	(273)	(51)	(122)
RESULTS FROM OPERATING ACTIVITIES	6	955	865	283	263
Finance costs	9	(323)	(301)	(183)	(181)
OPERATING PROFIT		632	564	100	82
Share of results of associates		38	96	-	-
PROFIT BEFORE TAX		670	660	100	82
Tax expenses	10	(224)	(196)	(1)	(5)
PROFIT FOR THE YEAR		446	464	99	77
Attributable to:					
Johor Corporation		104	103	99	77
Minority interests		342	361	-	-
PROFIT FOR THE YEAR		446	464	99	77

BALANCE SHEETS AS AT 31 DECEMBER 2009

Amounts in RM million unless otherwise stated

		Group		Corporation	
	Note	2009	2008	2009	2008
ASSETS					
PROPERTY, PLANT AND EQUIPMENT	11	6,125	4,692	74	65
INVESTMENT PROPERTY	12	1,804	1,867	392	380
PROPERTY DEVELOPMENT	13	80	212	22	22
SUBSIDIARIES	14	-	-	2,723	2,683
ASSOCIATES	15	421	1,018	109	90
LONG TERM INVESTMENTS	16	55	68	6	21
PREPAID LEASE PAYMENTS AND OTHER ASSETS	17	863	703	260	263
INTANGIBLE ASSETS	18	941	365	-	-
DEFERRED TAX ASSETS	19	73	63	-	-
TOTAL NON-CURRENT ASSETS		**10,362**	**8,988**	**3,586**	**3,524**
PROPERTY DEVELOPMENT	13	364	403	159	170
INVENTORIES	20	655	522	64	71
TRADE AND OTHER RECEIVABLES	21	1,453	1,147	1,006	1,021
TAX RECOVERABLE		58	45	24	8
ASSETS HELD FOR SALE	22	124	273	-	-
SHORT TERM INVESTMENTS	23	77	42	8	2
DEPOSITS, BANK AND CASH BALANCES	24	705	853	49	138
TOTAL CURRENT ASSETS		**3,436**	**3,285**	**1,310**	**1,410**
TOTAL ASSETS		**13,798**	**12,273**	**4,896**	**4,934**

Amounts in RM million unless otherwise stated

		Group		Corporation	
	Note	2009	2008	2009	2008
EQUITY					
CAPITAL RESERVES	25	992	990	55	55
REVENUE RESERVES		198	38	676	577
CURRENCY FLUCTUATION RESERVES		(87)	(87)	-	-
		1,103	941	731	632
MINORITY INTERESTS		3,639	3,006	-	-
TOTAL EQUITY		**4,742**	**3,947**	**731**	**632**
LIABILITIES					
BORROWINGS	26	4,860	4,396	2,866	2,755
DEFERRED TAX LIABILITIES	19	540	448	6	6
OTHER LONG TERM LIABILITIES	27	185	190	1	10
TOTAL NON-CURRENT LIABILITIES		**5,585**	**5,034**	**2,873**	**2,771**
CURRENT LIABILITIES					
TRADE AND OTHER PAYABLES	28	1,575	1,144	830	408
BORROWINGS	26	1,769	2,018	462	1,123
CURRENT TAX LIABILITIES		127	130	-	-
TOTAL CURRENT LIABILITIES		**3,471**	**3,292**	**1,292**	**1,531**
TOTAL LIABILITIES		**9,056**	**8,326**	**4,165**	**4,302**
TOTAL EQUITY AND LIABILITIES		**13,798**	**12,273**	**4,896**	**4,934**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

Amounts in RM million unless otherwise stated

	Capital reserves	Revenue reserves	Currency fluctuation reserves	Total	Minority interests	Total equity
GROUP						
At 1 January 2008	1,005	(27)	(65)	913	2,813	3,726
Profit for the year	-	103	-	103	361	464
Disposal of subsidiaries	-	(47)	-	(47)	(91)	(138)
Share of translation reserve	-	-	(25)	(25)	69	44
Dividend paid to minority interests	-	-	-	-	(148)	(148)
Other changes	(15)	9	3	(3)	2	(1)
	990	38	(87)	941	3,006	3,947
At 31 December 2008/ 1 January 2009	990	38	(87)	941	3,006	3,947
Profit for the year	-	104	-	104	342	446
Partial acquisition/disposal of subsidiaries	-	55	1	56	(149)	(93)
Acquisition of subsidiaries	-	-	-	-	595	595
Share of translation reserve	-	-	(1)	(1)	(24)	(25)
Dividend paid to minority interests	-	-	-	-	(142)	(142)
Other changes	2	1	-	3	11	14
At 31 December 2009	**992**	**198**	**(87)**	**1,103**	**3,639**	**4,742**

	Capital reserves	Revenue reserves	Total equity
CORPORATION			
At 1 January 2008	58	497	555
Profit for the year	-	77	77
Transfer to revenue reserves	(3)	3	-
At 31 December 2008	55	577	632
Profit for the year	-	99	99
At 31 December 2009	**55**	**676**	**731**

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Amounts in RM million unless otherwise stated

	Group		Corporation	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Profit before tax				
- Continuing operations	670	660	100	82
Adjustments to reconcile net profit for the year to cash from operations:				
Property, plant and equipment:				
- Loss on disposal	11	14	-	-
- Written off	10	5	-	-
- Depreciation	367	249	7	10
- Impairment loss	11	5	-	-
Investment property:				
- Change in fair value	39	4	45	(23)
- Write off	5	-	-	-
- Gain on disposal	(9)	(1)	(3)	-
Prepaid lease payments:				
- Amortisation	8	11	3	3
- Impairment loss	-	2	-	-
(Gain)/Loss on disposal of:				
- Subsidiaries	-	-	-	(137)
- Partial interest in subsidiaries	(13)	-	(24)	-
- Associates	(5)	2	(5)	-
- Other investments	1	5	-	-
Negative goodwill	2	(41)	-	-
Investments:				
- (Write back)/Allowance for diminution	(16)	31	(31)	86
Intangible assets:				
- Amortisation	12	3	-	-
- Written off	-	35	-	-
Dividend income	(5)	(4)	(102)	(82)
Amortisation of government grant	(21)	(30)	(16)	(2)
Amortisation of land lease rental	-	(2)	-	-
Interest expense	323	301	183	181
Interest income	(16)	(28)	(20)	(25)
Share of results of associates	(38)	(96)	-	-
Waqaf contribution	5	-	5	-
Gain of exchange of estates	(61)	-	-	-
Operating profit before changes in working capital	1,280	1,125	142	93

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

	Group		Corporation	
	2009	2008	2009	2008
Changes in working capital:				
- Bank deposits not regarded as cash equivalents	77	(27)	74	(55)
- Inventories	25	(29)	7	24
- Property development cost	39	(108)	11	(42)
- Receivables	(244)	(9)	32	28
- Payables	154	70	6	(85)
- Associates	59	(51)	-	-
- Short term investments	(35)	90	(5)	-
- Short term borrowings	451	28	-	-
Cash generated from/(used in) operations	1,806	1,089	267	(37)
Increase in land and property development	132	88	1	4
Land lease rental received	-	53	-	-
Tax paid	(200)	(82)	-	-
Dividend received	5	4	73	64
Interest received	16	28	20	25
Net cash generated from operating activities	1,759	1,180	361	56
INVESTING ACTIVITIES				
Proceeds from disposal of investment in:				
- Subsidiaries	-	11	62	103
- Associates	5	4	5	-
- Other investments	91	18	35	13
- Short term investments	-	-	1	-
Property, plant and equipment:				
- Proceeds from disposal	427	143	-	-
- Purchase	(1,258)	(792)	(15)	(16)
Investment property:				
- Proceeds from disposal	47	17	4	1
- Purchase	(17)	(42)	(58)	-
Intangible assets:				
- Addition	(10)	(7)	-	-
Prepaid lease payments:				
- Purchase	(68)	(64)	-	-
Acquisition of subsidiaries, net of cash acquired	40	(240)	-	-
Purchase/Subscription of:				
- Partial interest in subsidiaries	(150)	(97)	(71)	(92)
- Partial interest in associates	(34)	(15)	-	(11)
- Other investments	(62)	(26)	(28)	(18)
Net cash used in investing activities	(989)	(1,090)	(65)	(20)

Amounts in RM million unless otherwise stated

	Group		Corporation	
	2009	2008	2009	2008
FINANCING ACTIVITIES				
Repayment of term loans and other long term borrowings	(1,247)	(465)	(675)	(2)
Loan from a subsidiary	-	-	400	-
Repayment of hire purchase and leases	(17)	(6)	-	-
Drawndown of term loans and other long term borrowings	717	490	-	17
Government grant received	15	21	7	9
Interest paid	(185)	(147)	(43)	(51)
Dividend paid to minority interests	(142)	(148)	-	-
Net cash used in financing activities	(859)	(255)	(311)	(27)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(89)	(165)	(15)	9
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**619**	**762**	**32**	**23**
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	(3)	22	-	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**527**	**619**	**17**	**32**
CASH AND CASH EQUIVALENTS				
Cash and bank balances	427	386	8	14
Fixed deposits	278	467	41	124
	705	853	49	138
Fixed deposits subject to restriction/pledged	(47)	(124)	(32)	(106)
Bank overdrafts	(131)	(110)	-	-
	527	619	17	32

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2009

Johor Corporation was incorporated under the Johor Corporation Enactment Act 1968 (Enactment No 4) (as amended by Enactment No. 5, 1995).

The address of the principal place of business of the Corporation is as follows:-

Level 2, PERSADA JOHOR
Jalan Abdullah Ibrahim
80000 Johor Bahru, Johor
Malaysia.

The consolidated financial statements of the Corporation as at and for the year ended 31 December 2009 comprise the Corporation and its subsidiaries and the Group's interest in associates.

The Corporation is principally engaged in palm oil business, property development and management and investment. The principal activities of the Group consist mainly of palm oil business, healthcare services, property development and management, intrapreneur ventures, quick service restaurants and investments.

The Financial Statements were approved by the Board of Directors on 12 April 2010.

1 BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS) and accounting principles generally accepted in Malaysia.

The Group and the Corporation have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Corporation:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009

- FRS 8, Operating Segments

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements (revised)*
- FRS 123, *Borrowing Costs (revised)*
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*
- Amendments to FRS 101, *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 132, *Financial Instruments: Presentation*
  - *Puttable Financial Instruments and Obligations Arising on Liquidation*
  - *Separation of Compound Instruments*
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
  - Reclassification of Financial Assets
  - Collective Assessment of Impairment for Banking Institutions

1 BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 (continued)

- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting & Impairment*
- IC Interpretation 11, FRS 2 - *Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: presentation-Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*

The Group and the Corporation plan to apply the abovementioned standards, amendments and interpretations in the respective years when the standards, amendments and interpretations become effective.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior period financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors,* in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

(i) FRS 8: *Operating Segments*

FRS 8 replaces FRS 114_{2004}, Segment Reporting and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (Note 29). Management will embark on a project to assess and identify the appropriate segment information in respect of the Group's operating segments, including formulating information-gathering processes.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

1 BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

(ii) Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that may have an impact is on FRS 117, Lease.

- **FRS 117, *Leases***

  The amendments clarify that the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. The management will assess the impact of the adoption of these amendments on the Group's present prepaid lease payments. The management believes that these amendments would result in reclassification of non-current assets (balance sheet) and do not have any material impact on the income statements.

  The adoption of there amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

(iii) IC Interpretation 10, *Interim Financial Reporting and Impairment*

IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of the following:

(a) goodwill;

(b) an investment in an equity instrument; or

(c) a financial asset carried at cost.

In accordance with the transitional provisions, the Group and the Corporation will apply IC Interpretation 10 to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date the Group first applied the measurement criteria of FRS 136, *Impairment of Assets* and FRS 139, *Financial Instruments: Recognition and Measurement respectively.*

(iv) IC Interpretation 15, *Agreement for the Construction of Real Estate*

IC Interpretation 15 replaces the existing FRS 201_{2004}, Property Development Activities and provides guidance on how to account for revenue from construction of real estate. The adoption of IC Interpretation 15 will result in a change in accounting policy which will be applied retrospectively whereby the recognition of revenue from all property development activities of the Group will change from the percentage of completion method to the completion method.

On initial application of IC Interpretation 15, the profit before tax of the Group and of the Corporation for the financial year ended 31 December 2009 and 2008 are expected to decrease by RM25 million (2008:RM17 million) and RM21 million (2008:RM6 million) respectively.

The other standards, amendments and interpretations are either not applicable or are not expected to have any material impact on the Group's and the Corporation's financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for property, plant and equipment, prepaid lease payments and investment properties as explained in their respective accounting policy notes.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Corporation's functional currency. All financial information presented in RM has been rounded to the nearest million, unless otherwise stated.

1 BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

The preparation of financial statements 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 estimate is revised and in any future periods affected.

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

- Note 12 - valuation of investment property
- Note 14 - business combination
- Note 18 - measurement of recoverable amounts of cash-generating units
- Note 19 - recognition of tax losses carry-forward and unabsorbed capital allowances

2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis Of Consolidation

i. Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Corporation's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

ii. Minority Interest

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Corporation, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Corporation. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Corporation.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis Of Consolidation (continued)

iii. Associates

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

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted 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 equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil 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 investee.

Investments in associates are stated in the Corporation's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

iv. Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. 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.

v. 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 investees are eliminated against the investment to the extent of the Group's interest in the investee. 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 balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign Currency (continued)

ii. Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of operations in functional currencies other than RM, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal of operations, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

iii. Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Corporation's net investment in foreign operations, are recognised in the Corporation's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are recognised in the consolidated income statement upon disposal of the investment.

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its exposure to foreign exchange risks arising from its operational activities.These instruments are not recognised in the financial statements.

Derivative financial instruments used for hedging purposes are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net positions.

(d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

Revalued property, plant and equipment where no revaluation policy is adopted

The Group has availed itself to the transitional provision when the MASB first adopted IAS 16. Property, Plant and Equipment in 1998. Certain freehold land and buildings were revalued prior to 1998 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustments based on a valuation).

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 and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

i. Recognition and measurement (continued)

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

Gains and losses on disposal of an item of property,plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” or “other expenses” respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

ii. Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is remeasured to fair value and reclassified as investment property. Any gain or loss arising on remeasurement is recognised in the income statements.

iii. Subsequent costs

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

iv. Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease terms. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

• Buildings	4 - 50 years
• Plant and equipment	3 - 25 years
• Fixtures and fittings	4 - 20 years
• Leasehold improvements and renovations	10 years
• Restaurants and office equipment	3 - 15 years
• Estate developments expenditure	17 - 20 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(e) Leased assets

i. Finance lease

Leases in terms of which the Group or the Corporation assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of the interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets (continued)

ii. Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classifies as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet, Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

iii. Leasehold land/Prepaid lease payments

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided except for leasehold land classified as investment property.

The Group had previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provisions in FRS 117.67A upon adoption of FRS 117, Leases in 2006. Payment made under operating leases are recognised in the income statements on a straight-line basis over term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

(f) Estate development expenditures

Estate development expenditures are stated at cost less any accumulated depreciation and any impairment losses.

The Group's accounting policy on plantation development expenditure is amortisation method wherein planting expenditure are capitalised and amortised over its estimated economical life of the plantation from the maturity date.

All expenditures relate to development of oil palm field (immature field) will be classified under estate development expenditure. This cost will be amortised when the field achieves maturity. Estate overhead expenditure is apportioned to revenue and estate development expenditure on the basis of the proportion of mature to immature areas.

The maturity date for estate development expenditures is the point in time in which such new planting areas yield 8.60 tonnes of fresh fruit bruches per hectare per annum or 48 months from the date of planting, whichever is earlier.

Estate development expenditure of oil palm will be amortised on the straight line basis over 20 years being the current expected useful lives of oil palm trees.

(g) Intangible assets

i. Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

ii. Other intangible assets

Intangible assets other than goodwill, that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets (continued)

iii. Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

iv. Amortisation

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired. Other intangible assets are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets.

The amortisation period and the amortisation method are reviewed at least at each balance sheet date. The restaurants' initial and renewal franchise fees and territorial franchise fee are amortised over a period of 10 years.

(h) Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries and associates are stated at cost less allowance for diminution in value,
- Investments in non-current debt securities are stated at amortised cost using the effective interest method less allowance for diminution in value,
- All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities and non-current debt securities other than investment in subsidiaries and associates, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

a) the recognition of an asset on the day it is received by the entity, and

b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(i) Investments property

i. Investment property carried at fair value

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in the income statements. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investments property (continued)

ii. Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to investment property 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, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statements. Upon disposal of the investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the income statements.

When an item of inventory or property development is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to the transfer and its fair value is recognised in the income statements.

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

iii. Determination of fair value

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year or the Directors estimate the fair value of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted know - knowledgeably, prudently and without complusion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuation reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Significant assumptions in arriving at the fair value of investment properties are disclosed in Note 12.

(j) Property development

Property development consist of land held for future development and current development expenditure which comprise construction and other related development costs including borrowings costs, is stated at cost less accumulated impairment losses.

The Group and the Corporation consider as current asset that proportion of property development on which sales have been launched and/or the project is expected to be completed within the normal operating cycle of two to three years. Cost of property development classified as current assets are stated at the lower of cost and net realisable value.

When the outcome of a property development cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that is probable of recovery.

Any anticipated loss on a property development (including costs to be incurred over the defects liability period), is recognised as an expense immediately.

Accrued billings represent the excess of property development revenue recognised in the income statements over billings to purchaser while progress billings represent the excess of billings to purchasers over property development revenue recognised in the income statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Inventories

Inventories consist of raw materials, stores, work-in-progress, completed shops and houses and marketable securities.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle/weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress/finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(l) Receivables

Receivables are initially recognised at their cost when contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(m) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

(n) Constructions work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of receivables, deposits and prepayments in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(o) 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 value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(p) Impairment of assets

The carrying amounts of assets except for financial assets/inventories/assets arising from construction contracts/deferred tax assets/investment property that is measured at fair value are reviewed at each reporting date to determine whether there is any indication of impairment.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Impairment of assets (continued)

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. 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. 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 groups of the assets (the "cash-generating units"). The goodwill acquired in a business combination for the purpose of impairment testing is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date 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. 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 the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statements.

(q) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

(r) Employee benefits

i. Short term employee benefits

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

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

The Group's contribution to statutory pension fund are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

ii. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(t) Revenue recognition

i. Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

ii. Services

Revenue from services rendered is recognised in the income statements in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

iii. Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed or the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statements.

iv. Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

v. Rental income

Rental income from investment property is recognised in the income statements 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.

vi. Government grants

Government grants is recognised initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in the income statements on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in the income statements on a systematic basis over the useful life of the asset.

vii. Dividend income

Dividend income is recognised when the right to receive payment is established.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

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.

(v) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

(w) Discontinued operations

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statements is restated as if the operation had been discontinued from the start of the comparative period.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

3 REVENUE

	Group		Corporation	
	2009	2008	2009	2008
Goods sold	5,763	4,199	154	183
Property and industrial development	436	370	224	148
Healthcare services	1,460	1,275	-	-
Hotel and tourism services	61	58	-	-
Management services	100	91	-	-
Sale of short term investments	12	6	12	6
Dividend income	5	4	102	82
Rental income	99	90	8	8
Parking and related services	111	70	-	-
Mailing and printing	34	19	-	-
Transportation services	26	24	-	-
Rendering of other services	86	76	-	-
	8,193	6,282	500	427

4 OTHER INCOMES

Included in other incomes are:

	Group		Corporation	
	2009	2008	2009	2008
- Amortisation of government grant	21	30	16	2
- Bad debts recovered	1	2	2	-
- Change in fair value of investment properties	-	34	-	23
- Gain on disposal of:				
Investment properties	9	1	3	-
Property, plant and equipment	15	2	-	-
Subsidiaries/associates	21	1	29	137
- Interest income	16	28	20	25
- Negative goodwill recognised	2	41	-	-
- Realised gain on foreign exchange	2	26	-	-
- Reversal of allowance for amount due from subsidiaries	-	-	-	6
- Reversal of diminution in value of investments	21	-	10	-
- Reversal of impairment in investment in subsidiaries/associates	-	-	21	2
- Waiver/Write back of creditors	2	3	-	-
- Gain on exchange of estates	61	-	-	-

Amounts in RM million unless otherwise stated

5 OTHER EXPENSES

Included in other expenses are:

	Group		Corporation	
	2009	2008	2009	2008
- Allowance for doubtful debts	(21)	(14)	-	(33)
- Amortisation of intangible assets	(12)	(3)	-	-
- Change in fair value of investment properties	(39)	(38)	(45)	-
- Contribution for repurchase of unit trust	(10)	(25)	-	-
- Diminution in value of long term investments	(5)	(31)	-	(88)
- Intangible assets written off	-	(35)	-	-
- Inventory written down	-	(9)	-	-
- Loss on disposal of:				
Associates	-	(3)	-	-
Other investments	(1)	(5)	-	-
Property, plant and equipment	(26)	(16)	-	-
Subsidiaries	(4)	-	-	-
- Investment properties written off	(5)	-	-	-
- Realised loss on foreign exchange	(32)	(54)	-	-
- Waqaf contribution	(5)	-	(5)	-

6 RESULTS FROM OPERATING ACTIVITIES

Results from operating activities was arrived at after charging:

	Group		Corporation	
	2009	2008	2009	2008
Bad debts written off	1	1	-	-
Hire of property, plant and equipment	10	21	-	-
Property, plant and equipment:				
- Depreciation	367	249	7	10
- Impairment	11	5	-	-
- Written Off	10	5	-	-
Prepaid lease payments:				
- Amortisation	8	11	3	3
- Impairment	-	2	-	-
Rental of offices and buildings	308	159	2	2

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

7 STAFF COSTS

	Group		Corporation	
	2009	2008	2009	2008
Wages, salaries and bonus	997	589	11	11
Defined contribution retirement plan	80	23	1	1
Other employee benefits	149	36	-	-
	1,226	648	12	12

Employee Share Option Scheme

The Johor Corporation Employee Share Option Scheme ("ESOS") was established on 14 September 2004 pursuant to the Trust Deed between Johor Corporation ("JCorp") and Johor Ventures Sdn Bhd ("JVSB"), in which certain shares in JCorp's subsidiaries,were transferred to and held in trust by JVSB as Trustee under the Scheme. JVSB agreed to hold the shares owned by JCorp and shall deal with the shares in accordance with the written instructions of JCorp and specifically, for the purpose of granting options to Directors and employees of the JCorp Group as approved by JCorp and agreed to sell and transfer the shares in accordance with the terms of the respective Option Agreements entered into between JVSB and the Qualified Option Holders of the JCorp Group.

The Option is for 5 years period commencing on 16 September 2004 and expired on 15 September 2009. The Corporation implemented another ESOS in 2008 for certain senior key management personnel in the Group. The ESOS is for a 3 year period expiring in 2011.

The financial effect of ESOS is not significant to the financial statements.

8 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The key management personnel compensations are as follows:

	Group		Corporation	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Non-executive directors:				
- Fees	882	900	882	900
Executive directors:				
- Fees	732	467	90	90
- Remuneration	798	768	798	768
Other short term employee benefits:				
(Including estimated monetary value of benefits-in-kind)	246	241	158	158
Defined contribution retirement plan	96	93	96	93
	2,754	2,469	2,024	2,009
Other key management personnel:				
- Short-term employee benefits	47,863	39,137	1,890	1,510
	50,617	41,606	3,914	3,519

Amounts in RM million unless otherwise stated

8 KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

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

9 FINANCE COSTS

	Group		Corporation	
	2009	2008	2009	2008
Guaranteed Redeemable Islamic Bonds	170	154	147	154
Term loan	84	89	-	-
Short term borrowings	22	23	27	20
Others	55	45	9	7
Total interest expenses	331	311	183	181
Less: Amount capitalised to:				
Property, plant and equipment (Note 11)	(4)	(9)	-	-
Property development (Note 13)	(4)	(1)	-	-
	323	301	183	181

10 TAX EXPENSES

	Group		Corporation	
	2009	2008	2009	2008
Current tax for the year:				
- Malaysia	133	84	-	-
- Foreign	51	100	-	-
Deferred tax (Note 19):				
- Malaysia	1	9	1	5
- Foreign	39	3	-	-
	224	**196**	**1**	**5**
Share of tax of equity accounted associates	5	25	-	-
Total tax expenses	**229**	**221**	**1**	**5**
- Current year	185	187	-	-
- Over provisions in prior years	(1)	(3)	-	-
	184	184	-	-
Deferred tax				
- Origination and reversal of temporary differences	39	14	1	5
- Under/(Over) provision in prior years	1	(2)	-	-
	40	12	1	5
Share of tax of equity accounted associates	5	25	-	-
Total tax expenses	**229**	**221**	**1**	**5**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

10 TAX EXPENSES (CONTINUED)

Reconciliation of effective tax expenses:

	Group		Corporation	
	2009	2008	2009	2008
Profit for the year	446	464	99	77
Total tax expense	229	221	1	5
Profit excluding tax	675	685	100	82
Tax calculated using Malaysian income tax rate	168	178	25	21
Effect of different tax rate of other countries	13	13	-	-
Effect of changes in tax rate	6	(6)	-	-
Non deductible expenses	122	178	34	57
Income not subject to tax	(84)	(137)	(59)	(73)
Effect of unrecognised deferred tax asset	8	(3)	-	-
Others	(4)	3	-	-
- Under/(Over) provision in prior years	-	(5)	1	-
Tax expense	**229**	**221**	**1**	**5**

Federal Government Gazette dated 16 August 2005 exempts Johor Corporation and its subsidiaries from income taxes in respect of certain incomes specified in the gazette received from 1 January 1998 to 31 December 2006. On 18 January 2007, the same exemptions were further extended to 31 December 2012.

11 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Estate development expenditure	Buildings	Furniture & fittings, plant & machinery and motor vehicles	Capital work in progress	Total
GROUP						
At Cost or Valuation						
At 1 January 2008	1,381	870	1,023	2,067	249	5,590
Additions	21	124	18	173	465	801
Disposals/Write off	-	(2)	(8)	(115)	-	(125)
Transfers	(78)	-	(40)	352	(331)	(97)
Disposal of subsidiaries	-	-	(2)	(4)	-	(6)
Acquisition of subsidiaries	-	76	254	33	3	366
Exchange differences	(1)	(9)	(8)	(11)	11	(18)
At 31 December 2008/ 1 January 2009	1,323	1,059	1,237	2,495	397	6,511

Amounts in RM million unless otherwise stated

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Estate development expenditure	Buildings	Furniture & fittings, plant & machinery and motor vehicles	Capital work in progress	Total
GROUP (CONTINUED)						
Additions	33	120	25	351	735	1,264
Assets swap in	-	36	-	1	-	37
Assets swap out	-	(19)	(2)	(1)	-	(22)
Transfers	5	-	128	386	(524)	(5)
Disposals/Write off	(42)	(21)	(61)	(160)	(10)	(294)
Acquisition of subsidiaries	169	-	246	732	-	1,147
Exchange differences	1	(4)	(5)	6	1	(1)
Others	16	-	-	-	-	16
At 31 December 2009	1,505	1,171	1,568	3,810	599	8,653
Accumulated Depreciation						
At 1 January 2008	-	309	316	1,039	-	1,664
Charge for the year	-	37	35	177	-	249
Disposals/Write off	-	(2)	(1)	(75)	-	(78)
Transfers	-	-	(5)	(5)	-	(10)
Disposal of subsidiaries	-	-	(1)	(4)	-	(5)
Exchange differences	-	(3)	(5)	(11)	-	(19)
At 31 December 2008/ 1 January 2009	-	341	339	1,121	-	1,801
Charge for the year	-	35	42	290	-	367
Assets swap out	-	(5)	(2)	(1)	-	(8)
Disposals/Write off	-	(21)	(1)	(122)	-	(144)
Transfers	-	-	2	-	-	2
Acquisition of subsidiaries	-	-	40	377	-	417
Exchange differences	-	(9)	-	2	-	(7)
Others	-	-	-	(6)	-	(6)
At 31 December 2009	-	341	420	1,661	-	2,422
Accumulated Impairment Losses						
At 1 January 2008	-	12	-	-	1	13
Impairment for the year	-	-	5	-	-	5
At 31 December 2008	-	12	5	-	1	18
Acquisition of subsidiaries	59	-	23	(5)	-	77
Impairment for the year	-	-	-	11	-	11
At 31 December 2009	59	12	28	6	1	106

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Estate development expenditure	Buildings	Furniture & fittings, plant & machinery and motor vehicles	Capital work in progress	Total
GROUP (CONTINUED)						
Carrying amount						
At 31 December 2009	1,446	818	1,120	2,143	598	6,125
At 31 December 2008	1,323	706	893	1,374	396	4,692
CORPORATION						
At Cost or Valuation						
At 1 January 2008	1	59	61	81	-	202
Additions	-	12	1	2	1	16
Disposals/Write off	-	-	-	(2)	-	(2)
At 31 December 2008/ 1 January 2009	1	71	62	81	1	216
Additions	-	9	2	2	2	15
Transfer	-	-	1	1	(1)	1
Disposals/Write off	-	(1)	-	(2)	-	(3)
At 31 December 2009	1	79	65	82	2	229
Accumulated Depreciation						
At 1 January 2008	-	41	34	68	-	143
Charge for the year	-	3	3	4	-	10
Disposals/Write off	-	-	-	(2)	-	(2)
At 31 December 2008/ 1 January 2009	-	44	37	70	-	151
Charge for the year	-	2	2	3	-	7
Disposals/Write off	-	(1)	-	(2)	-	(3)
At 31 December 2009	-	45	39	71	-	155
Carrying amount						
At 31 December 2009	1	34	26	11	2	74
At 31 December 2008	1	27	25	11	1	65

The net book value of Property, plant and equipment acquired under finance leases of the Group amounted to RM46 million (2008:RM54 million).

Included in additions of the Group is borrowing cost of RM4 million (2008:RM9 million) capitalised during the year (Note 9).

Amounts in RM million unless otherwise stated

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the Group acquired Property, plant and equipment with an aggregate cost of RM1,264 million (2008:RM801 million). The acquisition is settled through the following means:

	Group	
	2009	2008
Cash payment	1,258	792
Under finance lease	6	9
	1,264	801

As at 31 December 2009, Property, plant and equipment of the Group and the Corporation with net book value of RM2,316 million (2008:RM1,808 million) and RM9 million (2008:RM9 million) respectively, are pledged as security for borrowings.

The particulars of freehold land, estate development expenditure and buildings stated at cost or valuation are as follows:

	Group		Corporation	
	2009	2008	2009	2008
Cost				
Freehold land	353	171	1	1
Estate development expenditure	1,171	1,059	79	71
Buildings	1,223	892	65	62
Valuation				
Freehold land	1,152	1,152	-	-
Buildings	345	345	-	-
	4,244	3,619	145	134

If the total amounts of freehold land and buildings had been determined in accordance with the historical cost, they would have been stated:-

	Group		Corporation	
	2009	2008	2009	2008
Net book value				
Freehold land	146	146	-	-
Buildings	195	241	-	-
	341	387	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

12 INVESTMENT PROPERTY

	At Fair Value	At Cost	Total
GROUP			
At 1 January 2008	1,774	82	1,856
Additions	42	-	42
Disposals	(16)	-	(16)
Reclassification	82	(82)	-
Transfer	(11)	-	(11)
Change in fair value	(4)	-	(4)
At 31 December 2008/1 January 2009	1,867	-	1,867
Additions	17	-	17
Disposals	(38)	-	(38)
Reclassification	(5)	-	(5)
Transfer	7	-	7
Change in fair value	(39)	-	(39)
Write off	(5)	-	(5)
At 31 December 2009	1,804	-	1,804
Included in the above are:			
Freehold land	253	-	253
Short term leasehold land	74	-	74
Long term leasehold land	306	-	306
Buildings	1,234	-	1,234
At 31 December 2008	1,867	-	1,867
Freehold land	274	-	274
Short term leasehold land	14	-	14
Long term leasehold land	310	-	310
Buildings	1,206	-	1,206
At 31 December 2009	1,804	-	1,804

	At Fair Value	
	2009	2008
CORPORATION		
At 1 January	380	359
Additions	58	-
Disposals	(1)	(2)
Change in fair value	(45)	23
At 31 December	392	380

Amounts in RM million unless otherwise stated

12 INVESTMENT PROPERTY (CONTINUED)

	At Fair Value	
	2009	2008
CORPORATION (CONTINUED)		
Included in the above are:		
Freehold land	178	152
Long term leasehold land	185	138
Short term leasehold land	-	60
Buildings	29	30
At 31 December	392	380

Long term and short term leasehold land refer to unexpired lease period more than 50 years and less than 50 years respectively.

The Group uses several methods to determine the fair value, including:

- Valuation by external professional valuers based on open market/comparison basis;
- Expected selling price to third parties or offer price from third parties; and
- Estimation by the Directors.

As at 31 December 2009, Investment properties of the Group and the Corporation with carrying amount of RM215 million (2008:RM267 million) and RM21 million (2008:RM35 million) respectively are pledged as security for borrowings. Investment properties of certain subsidiaries with carrying amount of RM70 million (2008:RM132 million) are in the process of being transferred to the names of subsidiaries.

Investment properties of the Corporation with carrying amount of RM79 million (2008:RM40.6 million) are registered in the names of subsidiaries and are in the process of being transferred to the name of the Corporation.

In 2004, a subsidiary entered into a tripartite agreement with Pelaburan Johor Berhad ("PJB") and Amanah Raya Berhad ("ARB"), the manager and trustee for both Amanah Saham Johor ("ASJ") and Dana Johor ("DJ") respectively for the implementation of a repurchase scheme for the unit holders of both ASJ and DJ as disclosed in Note 32. In conjunction with this scheme, the subsidiary entered into:

a) an alienation agreement with State Government of Johor ("SGJ") to alienate six pieces of landed properties for a premium of RM60 million; and

b) a sale and purchase agreement with State Secretary, Johor (Incorporation) ("SSI") to acquire a wet market and bus terminal for a consideration of RM40 million.

SGJ had alienated five pieces of the landed properties that had been sold by the subsidiary company in the previous financial years. However, the other piece of land with a carrying amount of RM4 million (2008:RM4 million) had been alienated by SGJ to a third party. In compliance with the alienation agreement, SGJ had agreed to replace the said piece of land with another piece of land having an equal or higher value at a location agreeable by the subsidiary company. As a result of the above said matter, the amount has been reclassified to other receivable.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

13 PROPERTY DEVELOPMENT

(a) Future development

	Group		Corporation	
	2009	2008	2009	2008
At Cost:				
Freehold land	7	18	-	-
Leasehold land	147	244	3	6
Development expenditure	58	189	19	7
At 1 January	**212**	**451**	**22**	**13**
Cost incurred during the year:				
Freehold land	5	1	-	-
Leasehold land	-	-	-	-
Development expenditure	2	6	2	-
	7	7	2	-
Less: Charged to income statement				
Freehold land	(2)	-	-	-
Leasehold land	(107)	(86)	-	-
Development expenditure	(2)	(2)	(2)	(3)
	(111)	(88)	(2)	(3)
Transfer to current development (Note 13 (b))				
Freehold land	-	(12)	-	-
Leasehold land	(22)	(5)	-	(3)
Development expenditure	(6)	16	-	16
Transfer/Reclassification	-	(157)	-	(1)
	(28)	(158)	-	12
At 31 December	**80**	**212**	**22**	**22**
At Cost:				
Freehold land	10	7	-	-
Leasehold land	18	147	3	3
Development expenditure	52	58	19	19
At 31 December	**80**	**212**	**22**	**22**

Amounts in RM million unless otherwise stated

13 PROPERTY DEVELOPMENT (CONTINUED)

(b) Current development

	Group		Corporation	
	2009	2008	2009	2008
At Cost:				
Freehold land	35	24	-	-
Leasehold land	19	14	-	-
Development expenditure	802	603	496	445
At 1 January	**856**	**641**	**496**	**445**
Cost incurred during the year:				
- Freehold Land	3	-	-	-
- Leasehold land	1	-	-	-
- Development expenditure	165	204	73	64
Cost recognised as an expense in income statements:				
- Previous year	(446)	(349)	(325)	(304)
- Current year	(206)	(97)	(83)	(22)
	(652)	(446)	(408)	(326)
Transfer from/(to):				
- Future development				
- Freehold land	-	12	-	-
- Leasehold land	22	5	-	3
- Development expenditure	6	(16)	-	(16)
- Property, plant & equipment	(2)	-	(2)	-
- Asset held for sale	(3)	-	-	-
- Inventories	(21)	(8)	-	-
- Investment properties	(11)	11	-	-
	(9)	4	(2)	(13)
At 31 December	364	403	159	170

Included in the development expenditure during the year are the following item:

	Group	
	2009	2008
Interest expenses (Note 9)	4	1

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

13 PROPERTY DEVELOPMENT (CONTINUED)

Development lands for the Group with carrying amount of RM125 million (2008:RM179 million) are pledged as security for borrowings.

Development lands of the Corporation at carrying amount of RM45 million (2008:RM53 million) are charged to a licensed bank for the Redeemable Secured Certificates facility amounting to RM195.3 million (2008:RM214.3 million).

As at 31 December 2009, lands with carrying amount of RM329 million (2008:RM349 million) are not registered in the names of certain subsidiaries and are in the process of being transferred to the names of the subsidiaries.

Certain titles of leasehold land of a subsidiary with carrying amount of RM44 million (2008:RM44 million) are pending issuance to the Group by relevant authorities and in the progress of application for conversion from leasehold land to freehold land.

Lands with carrying amount of RM23 million (2008:RM25 million) are not registered in the name of certain subsidiaries but are held in escrow by the State Authority of Johor for the beneficial interest of the subsidiaries until the entire land has been sold in subdivided lots to purchasers.

14 SUBSIDIARIES

	Corporation	
	2009	**2008**
At cost		
Quoted shares in Malaysia	645	663
Unquoted shares in Malaysia	1,585	1,223
Convertible Unsecured Loan Stocks ("CULS")	-	331
Unsecured preference shares *	1,415	1,405
Less: Allowance for diminution in value/ Accumulated impairment	(922)	(939)
	2,723	**2,683**
Market value for quoted shares	1,915	1,049

* The unsecured preference shares are issued by different subsidiaries with features as follows:

- Convertible and non-convertible
- Cumulative and non-cumulative
- Redeemable and non-redeemable

The Corporation converted 110 million units and 220 million units of Convertible Unsecured Loan Stocks ("CULS") into ordinary share capital of Johor Land Berhad on 19 February 2009 and 15 December 2009 respectively.

The equity shares in Johor Land Berhad held by the Corporation and 38% equity shares in Kulim (Malaysia) Berhad are pledged as security for borrowings granted to certain subsidiaries.

Amounts in RM million unless otherwise stated

14 SUBSIDIARIES (CONTINUED)

At 31 December, the carrying amounts of above equity shares pledged are as follows:

	2009	2008
- Johor Land Berhad	386	-
- Kulim (Malaysia) Berhad	376	-
	762	**-**

The subsidiaries audit reports with modified opinion are indicated in the list of subsidiaries and associates on page 216 to 233.

Acquisition and disposal of subsidiaries in 2009

Except as disclosed below, other acquisition and disposal of subsidiaries do not have any significant effect to the Group.

a) Partial acquisition and disposal of equity interest in listed Subsidiaries.

The Corporation acquired and disposed its investment in listed Subsidiaries from time to time. During the year, the net effect of these transactions to the Group are summarised below:

	Net gain/(loss) on partial acquisition and disposal	
	2009	2008
Kulim (Malaysia) Berhad	(4)	45
KPJ Healthcare Berhad	1	(1)
QSR Brands Bhd	1	-
Sindora Berhad	-	(3)
	(2)	**41**

b) Acquisition of KFC Holdings (Malaysia) Bhd ("KFCH")

On 2 January 2009, QSR Brands Bhd ("QSR"), acquired additional 865,300 ordinary shares in KFCH representing 0.44% of the issued and paid-up share capital of KFCH for a total purchase consideration of RM6,612,657 ("the acquisition"). Following the acquisition, the Group's shareholdings in KFCH increased from 49.81% to 50.25%, thereby effectively making KFCH a subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

14 SUBSIDIARIES (CONTINUED)

b) Acquisition of KFC Holdings (Malaysia) Bhd ("KFCH") (continued)

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Book value at date of acquisition	Fair value adjustment	Recognised fair value on acquisition
Property, plant and equipment	615	-	615
Prepaid land lease payment	65	-	65
Investment in Amanahraya Unit Trust	20	-	20
Inventories	158	-	158
Trade and other receivables	119	-	119
Cash and cash equivalent	98	-	98
Intangible assets	26	526	552
Trade and other payables	(275)	-	(275)
Deferred tax liabilities	(31)	-	(31)
Loans and borrowings	(141)	-	(141)
Employee benefits	(4)	-	(4)
Current tax assets	9	-	9
Minority interests	(10)	-	(10)
Net identifiable assets and liabilities	**649**	**526**	**1,175**
Investments in associate			(605)
Minority Interests			(585)
Goodwill arising from acquisition			22
Consideration paid, satisfied in cash			7
Cash and cash equivalent acquired			(98)
Net cash inflow			(91)

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The pre-acquisition carrying amount of identifiable assets and liabilities recognised on acquisition approximates the fair values of their carrying amounts. In determining the fair value of brandnames and franchise rights, the Group applied the discount rate of 12% to the estimated cash flow and 14% for the terminal cash flow.

The intangible asset recognised on the acquisition is attributable mainly to the KFC franchise rights and brand names of 'Ayamas' and 'Lifebrand'.

Amounts in RM million unless otherwise stated

14 SUBSIDIARIES (CONTINUED)

b) Acquisition of KFC Holdings (Malaysia) Bhd ("KFCH") (continued)

Effect of acquisition

The acquisition of KFCH had the following effect on the Group's operating results, assets and liabilities as at 31 December 2009:

	12 months ended 31.12.2009 RM
INCOME STATEMENT	
Revenue	2,216
Operating costs	(2,021)
Operating profit	195
Finance costs	(5)
Profit before tax	190
Income tax expenses	(57)
Profit for the year	133

c) Acquisition of Ramu Agri-Industries Limited ("RAIL")

In September 2008, the Group acquired 100% of the share capital of Ramu Agri-Industries Limited. Provisional fair values were used for a period of 12 months from acquisition.

During the current year, an independent valuer completed a detailed valuation of property, plant and equipment acquired to determine the final fair value of these assets. Utilising the independent valuers report dated 1 April 2009, the Group has ascertained additional fair value adjustment on the RAIL property, plant and equipment of RM2,342,000 with a corresponding increase in deferred tax liabilities of RM706,000.

d) Acquisitions of hospitals by KPJ Healthcare Berhad Group ("KPJ")

On 5 August 2009, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ Healthcare Berhad, a subsidiary of the Corporation, acquired an additional 28.3% equity interest in Seremban Specialist Hospital Sdn Bhd ("SSH") comprising 7,086,466 ordinary shares of RM1.00 each for an aggregate cash consideration of RM14,150,000. The fair value of net assets in Seremban Specialist Hospital Sdn Bhd at the date of acquisition was RM8,860,000 and the goodwill arising on this acquisition amounted to RM5,290,000.

On 27 August 2009, KPJSB, acquired additional 16% equity interest in Lablink (M) Sdn Bhd ("LMSB") comprising 100,000 ordinary shares of RM1.00 each for an aggregate cash consideration of RM1,000,000. This has effectively increased the Group's interest in LMSB from 84% to 100%. The fair value of net assets in Lablink (M) Sdn Bhd at the date of acquisition was RM1,493,000 and the negative goodwill arising on this acquisition amounted to RM493,000.

On 7 May 2009, KPJSB, redeemed and converted 6,000,000 6% Redeemable Convertible Unsecured Loan Stock ("RCULS") of RM1.00 each in Kota Kinabalu Specialist Hospital Sdn Bhd ("KKSH") of which 4,052,800 6% RCULS of RM1.00 each is converted to 4,052,800 ordinary shares of RM1.00 each and the balance of 1,947,200 6% RCULS of RM1.00 each is redeemed by way of cash.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

14 SUBSIDIARIES (CONTINUED)

d) Acquisitions of hospitals by KPJ Healthcare Berhad Group ("KPJ") (continued)

As a result, the Group's equity interest in KKSH has increased from 2% to 97%. The fair value of net assets in KKSH at the date of acquisition was RM145,000 and the goodwill arising on this acquisition amounted to RM58,000.

The acquisitions of hospitals stated above have no significant effect on the financial results of the Group in their current financial year and the financial position of the Group as at the end of the current financial year.

The details of net assets acquired and cash flows arising from the acquisitions of the following subsidiaries are as follows:

	SSH	LMSB	KKSH	Total
Share of net assets acquired	9	1	-	10
Purchase consideration settled in cash	(14)	(1)	-	(15)
Goodwill on acquisition	**(5)**	**-**	**-**	**(5)**

e) Acquisitions of Tanjung Tuan Hotel Sdn Bhd

On 20 October 2009, the Group acquired 99.99% equity interest of 36,000,000 units ordinary shares of Tanjung Tuan Hotel Sdn. Bhd. for a total consideration of RM37,600,000.

The effects of this acquisition on the financial result of the Group during the financial year is not material.

Details of net assets acquired, goodwill and cash flow arising from the acquisition are as follows:

	Book value at date of acquisition	Fair value adjustment	Recognised fair value on acquisition
Other non current assets	29	9	38
Other non current assets-plants and machinery	1	-	1
Deposits, bank and cash balances	1	-	1
Trade and other payables	(2)	-	(2)
Deferred tax	(1)	-	(1)
Fair value of total net assets acquired	**28**	**9**	**37**
Total purchase consideration discharged by cash			37
Cash and cash equivalent of subsidiary acquired			(1)
Cash outflows on acquisition			**36**

Amounts in RM million unless otherwise stated

14 SUBSIDIARIES (CONTINUED)

Acquisition and Disposal of subsidiaries in 2008

a) On 1 October 2008, Kulim (Malaysia) Berhad ("KMB"), a subsidiary of the Corporation via its 51% controlled subsidiary New Britain Palm Oil Limited ("NBPOL"), has successfully concluded the acquisition of Ramu-Agri Industries Limited ("RAIL") by securing control over the company. RAIL and its subsidiaries grow, manufacture and sell sugar and ethanol, palm oil and palm kernel and engage in cattle farming and production of beef. The new subsidiary is located in Gusap, Madang province, Papua New Guinea.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Book value at date of acquisition	Fair value adjustment	Recognised fair value on acquisition
Property, plant and equipment	277	82	359
Investment	2	(2)	-
Inventories	91	19	110
Trade and other receivables	33	(8)	25
Borrowings	(133)	-	(133)
Trade and other payables	(59)	-	(59)
Deferred tax liabilities	(57)	(26)	(83)
Fair value of total net assets acquired	**154**	**65**	**219**
Consideration paid, satisfied in cash			**219**

The fair values are provisional as the acquisition was completed with effect from 30 September 2008. Provisional fair values may be used for a period of 12 months from acquisition.

During the 12 month period from acquisition date, an independent valuer will complete a detailed valuation of the land acquired to determine the final fair value of these assets. Utilising the independent valuers report NBPOL will determine the final allocation of the excess across property, plant and equipment, intangible assets, deferred tax assets and liabilities, the outcome of which could materially change the provisional fair values identified above.

b) During the financial year, the Group acquired an additional 2.16% in QSR Brands Bhd("QSR")for about RM74,971,000 in cash, increasing its ownership from 57.42% to 59.58%. The carrying amount of QSR's net assets in the consolidated financial statements on the date of acquisition was RM 590,432,000. The Group recognised a decrease in minority interest of about RM12,869,000 and increase in intangible assets on acquisition of about RM4,005,000.

c) On 29 February 2008, the Group, via QSR, entered into a Joint Venture Agreement with Royal Group of Companies Ltd, Cambodia and Rightlink Corporation Limited, Hong Kong to form a new joint venture under a new joint venture company,Kampuchea Food Corporation Co Limited ("KFCL"), to operate KFC Restaurant business in Cambodia. QSR acquired 55% of the issued and paid up share capital of USD1.5 million in KFCL for cash consideration of RM2,665,575.

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in RM million unless otherwise stated

14 SUBSIDIARIES (CONTINUED)

Acquisition and Disposal of subsidiaries in 2008 (continued)

d) On 7 December 2007, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a subsidiary of KPJ Healthcare Berhad, a subsidiary of the Corporation, acquired 100% of the equity interest in Taiping Medical Centre Sdn Bhd comprising 231,619 ordinary shares of RM1.00 each for an aggregate cash consideration of RM18,000,000. The acquisition has been approved by Foreign Investment Committee vide its letter dated 28 December 2007. The acquisition was completed on 22 January 2008. The fair value of net assets in Taiping Medical Centre Sdn Bhd at the date of acquisition was RM10,824,609 and the goodwill arising on this acquisition amounted to RM7,175,391.

e) On 8 October 2008, KPJSB, acquired 100% of the equity interest in Pusat Pakar Kluang Utama Sdn Bhd comprising 2,000,000 ordinary shares of RM1.00 each for an aggregate cash consideration of RM12,000,000. The fair value of net assets in Pusat Pakar Kluang Utama Sdn Bhd at the date of acquisition was RM9,355,825 and the goodwill arising on this acquisition amounted to RM2,644,175.

f) During the financial year, KPJSB had acquired Sentosa Medical Centre Sdn Bhd, Selangor Specialist Hospital Sdn Bhd and Lablink (M) Sdn Bhd for total cash consideration of RM1,771,158.

A summary of the details of net assets acquired and cash flows arising from the acquisitions in above (d), (e) and (f) during the financial year is as follows:

	Acquiree's	
	Carrying Amount	Fair value
Property, plant and equipment	7	7
Prepaid lease (leasehold land)	1	7
Inventories	1	1
Receivables, deposits and prepayments	1	1
Deposits, bank and cash balances	8	8
Payables	(2)	(2)
Deferred tax liabilities	-	(2)
Net assets acquired	**16**	**20**
Goodwill on acquisition		10
Negative goodwill		(1)
Purchase consideration settled in cash		29
Less: Cash and cash equivalents of subsidiaries acquired		(8)
Cash outflow of the Group on acquisition of the subsidiaries		**21**

The effect of the acquisition as stated in the above (a), (b), (c), (d), (e) & (f) on the financial results of the Group during the year is not material.

Amounts in RM million unless otherwise stated

15 ASSOCIATES

	Group		Corporation	
	2009	2008	2009	2008
At Cost				
Quoted shares in Malaysia	461	953	240	240
Less: Allowance for diminution in value	-	-	(179)	(198)
	461	953	61	42
Unquoted shares in Malaysia	126	112	48	48
Share of post acquisition retained profits and reserves less losses	(166)	(47)	-	-
	421	**1,018**	**109**	**90**
Market value for quoted shares	**283**	**976**	**61**	**42**

Summary of financial information on associates:

	Country of incorporation	Effective ownership interest	Revenue (100%)	Profit/ (loss) (100%)	Total assets (100%)	Total liabilities (100%)
2009						
Nexsol Singapore Pte Ltd	Singapore	24.96%	73	(86)	63	164
Revertex (M) Sdn Bhd	Malaysia	25.91%	447	37	237	134
Union Industries Sdn Bhd	Malaysia	23.79%	5	-	9	-
Al-`Aqar KPJ REIT ^	Malaysia	21.51%	61	54	1,011	471
Kedah Medical Centre Sdn Bhd	Malaysia	23.01%	61	3	53	21
Hospital Penawar Sdn Bhd	Malaysia	15.07%	26	3	17	10
Bertam Properties Sdn Bhd	Malaysia	20.00%	61	8	200	41
Damansara Realty Bhd ^	Malaysia	30.83%	27	1	322	207
Panca Pesona Sdn Bhd	Malaysia	40.00%	6	1	82	53
TPM Management Sdn Bhd	Malaysia	38.39%	9	5	122	31
Healthcare Technical Services Sdn Bhd	Malaysia	15.01%	5	1	9	4
Orkim Sdn Bhd	Malaysia	19.36%	3	1	135	74
			784	28	2,260	1,210
2008						
KFC Holdings (Malaysia) Bhd * ^	Malaysia	16.07%	2,180	120	1,154	452
Nexsol Singapore Pte Ltd	Singapore	26.08%	478	(14)	140	162
Revertex (M) Sdn Bhd	Malaysia	14.59%	569	31	267	133
Union Industries Sdn Bhd	Malaysia	23.09%	6	-	11	1
Al-`Aqar KPJ REIT ^	Malaysia	24.61%	48	44	704	262

NOTES TO THE FINANCIAL STATEMENTS
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15 ASSOCIATES (CONTINUED)

Summary of financial information on associates: (continued)

	Country of incorporation	Effective ownership interest	Revenue (100%)	Profit/ (loss) (100%)	Total assets (100%)	Total liabilities (100%)
2008 (CONTINUED)						
Kedah Medical Centre Sdn Bhd	Malaysia	23.00%	51	4	46	15
Hospital Penawar Sdn Bhd	Malaysia	15.11%	24	3	14	9
Willis (Malaysia) Sdn Bhd #	Malaysia	31.64%	23	11	47	23
AmanahRaya-JMF Asset Management Sdn Bhd #	Malaysia	8.32%	14	3	7	4
MM Vitaoils Sdn Bhd #	Malaysia	14.56%	101	4	76	51
Bertam Properties Sdn Bhd	Malaysia	20.00%	85	31	242	5
Damansara Realty Bhd ^	Malaysia	31.74%	42	(13)	312	195
Panca Pesona Sdn Bhd	Malaysia	40.00%	21	5	87	59
TPM Management Sdn Bhd	Malaysia	39.00%	9	4	122	36
Healthcare Technical Services Sdn Bhd	Malaysia	15.07%	4	1	9	5
Tepak Marketing Sdn Bhd *	Malaysia	30.70%	19	1	9	4
			3,674	235	3,247	1,416

^ Listed on the Main Market of Bursa Malaysia Securities Berhad
* Became subsidiaries in 2009
# Disposed in 2009 or classified as assets held for sale whereby equity accounting no longer applies.

16 LONG TERM INVESTMENTS

	Group		Corporation	
	2009	2008	2009	2008
At Cost				
Quoted shares in Malaysia	63	122	2	27
	63	122	2	27
Less: Allowance for diminution in value	(36)	(84)	-	(10)
	27	38	2	17
Unquoted shares in Malaysia	36	18	4	-
Unquoted shares overseas	15	27	-	-
Unquoted Subordinated Bond	4	4	-	-
Other investments	8	11	1	5
Less: Allowance for diminution in value	(35)	(30)	(1)	(1)
	55	**68**	**6**	**21**
Market value for quoted shares	21	34	3	17

It is not practicable within the constraints of timeliness and cost to estimate the fair value of the other unquoted investments.

Amounts in RM million unless otherwise stated

17 PREPAID LEASE PAYMENTS AND OTHER ASSETS

	Group		Corporation	
	2009	2008	2009	2008
Prepaid lease payments	860	698	260	263
Other assets	3	5	-	-
	863	703	260	263

PREPAID LEASE PAYMENTS

	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
GROUP			
At Cost/Valuation			
At 1 January 2008	70	630	700
Addition	-	64	64
Acquisition of subsidiaries	-	7	7
Reclassification/Transfer	-	(5)	(5)
At 31 December 2008/1 January 2009	**70**	**696**	**766**
Addition	5	63	68
Asset swap in	-	34	34
Asset swap out	-	(8)	(8)
Disposal	-	(1)	(1)
Acquisition of subsidiaries	-	74	74
Reclassification/Transfer	-	(1)	(1)
At 31 December 2009	**75**	**857**	**932**
Accumulated Amortisation			
At 1 January 2008	8	47	55
Amortisation for the year	1	10	11
At 31 December 2008/1 January 2009	**9**	**57**	**66**
Amortisation for the year	1	7	8
Asset swap out	-	(5)	(5)
Disposal	-	(1)	(1)
Acquisition of subsidiaries	-	5	5
Reclassification/Transfer	-	(1)	(1)
At 31 December 2009	**10**	**62**	**72**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

17 PREPAID LEASE PAYMENTS AND OTHER ASSETS (CONTINUED)

PREPAID LEASE PAYMENTS (CONTINUED)

	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
GROUP (CONTINUED)			
Accumulated Impairment Losses			
At 1 January 2008	-	-	-
Impairment for the year	-	2	2
At 31 December 2008/1 January 2009	-	2	2
Reclassification	-	(2)	(2)
At 31 December 2009	-	-	-
Carrying amount			
At 31 December 2009	65	795	860
At 31 December 2008	61	637	698

	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
CORPORATION			
At Cost/Valuation:			
At 1 January 2008	**7**	**266**	**273**
Reclassification	-	-	-
Transfer from property, plant and equipment	-	-	-
At 31 December 2008/1 January 2009/31 December 2009	**7**	**266**	**273**
Accumulated Amortisation			
At 1 January 2008	1	5	6
Amortisation for the year	-	3	3
At 31 December 2008/1 January 2009	**1**	**8**	**9**
Amortisation for the year	-	3	3
At 31 December 2009	**1**	**11**	**12**

Amounts in RM million unless otherwise stated

17 PREPAID LEASE PAYMENTS AND OTHER ASSETS (CONTINUED)

PREPAID LEASE PAYMENTS (CONTINUED)

	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
Accumulated Impairment Losses			
At 1 January 2008/31 December 2008	**1**	**-**	**1**
At 1 January 2009/31 December 2009	**1**	**-**	**1**
Carrying amount			
At 31 December 2009	**5**	**255**	**260**
At 31 December 2008	**5**	**258**	**263**

As at 31 December 2009, prepaid lease payments of the Group and of the Corporation with carrying amount of RM346 million (2008:RM329 million) and RM168 million (2008:RM170 million) were pledged as security for bank loans and borrowings.

Prepaid lease payments of the Corporation with carrying amount of RM89.18 million (2008:RM90.12 million) are registered in the name of a subsidiary and are in the process of being transferred to the name of the Corporation.

18 INTANGIBLE ASSETS

	Goodwill	Rights	Franchise rights	Timber extraction rights	Brandname	Total
GROUP						
At Cost						
At 1 January 2008	83	33	276	127	-	519
Acquisition of subsidiaries	10	-	-	-	-	10
Addition	-	3	4	-	-	7
Written Off	(35)	-	-	-	-	(35)
Disposal of subsidiaries	-	-	-	(127)	-	(127)
At 31 December 2008/ 1 January 2009	58	36	280	-	-	374
Acquisition of subsidiaries	27	50	439	-	86	602
Addition	-	-	10	-	-	10
Written off	-	-	(8)	-	-	(8)
At 31 December 2009	85	86	721	-	86	978

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

18 INTANGIBLE ASSETS (CONTINUED)

	Goodwill	Rights	Franchise rights	Timber extraction rights	Brandname	Total
Accumulated Amortisation						
At 1 January 2008	-	6	-	62	-	68
Amortisation	-	3	-	-	-	3
Disposal of subsidiaries	-	-	-	(62)	-	(62)
At 31 December 2008/ 1 January 2009	-	9	-	-	-	9
Acquisition of subsidiaries	-	24	-	-	-	24
Amortisation	3	9	-	-	-	12
Write off	-	(8)	-	-	-	(8)
At 31 December 2009	3	34	-	-	-	37
Accumulated Impairment Losses						
At 1 January 2008	-	-	-	58	-	58
Disposal of subsidiaries	-	-	-	(58)	-	(58)
At 31 December 2008	-	-	-	-	-	-
At 1 January 2009/ 31 December 2009	-	-	-	-	-	-
Carrying amount						
At 31 December 2009	**82**	**52**	**721**	**-**	**86**	**941**
At 31 December 2008	**58**	**27**	**280**	**-**	**-**	**365**

Impairment testing for cash-generating units (CGU) containing rights and goodwill

For the purpose of impairment testing, rights and goodwill are allocated to the Group's operating divisions which represent the lowest level within the Group at which the rights and goodwill are mentioned for internal management purposes.

Amounts in RM million unless otherwise stated

18 INTANGIBLE ASSETS (CONTINUED)

The aggregate carrying amounts of rights and goodwill allocated to each unit are as follows:

	Group	
	2009	**2008**
Franchise Rights:		
i) Quick Service Restaurants (1)		
- Pizza Restaurants	282	280
- KFC Restaurants	439	-
Brandnames:		
i) Integrated Poultry (1)		
- Ayamas	75	-
ii) Others	11	-
Goodwill:		
i) Healthcare Services (2)		
- Hospitals and Support Services	55	50
ii) Quick Services Restaurants (1)		
- KFC Restaurants	21	-
iii) Others	6	8
	889	338

Key assumption used in value-in-use calculations:-

(1) Quick Service Restaurants and Integrated Poultry

Franchise Rights and Brandnames

The recoverable amount of CGU is determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a ten year period. The growth rate used to extrapolate the cash flows of Quick Service Restaurants and Integrated Poultry segment beyond the five-year period is 4% (2008:4%) which is in line with the estimated GDP growth rate for the country.

- There will be no material changes in the structure and principal activities of the investee Group.
- Raw material price inflation - there will not be any significant increase in the prices and supply of raw materials, wages and other related costs, resulting from industrial dispute, adverse changes in the economic conditions or other abnormal factors, which will adversely affect the operations of CGU.
- Statutory income tax-rate - the tax rate for Malaysia is 25% for current year and thereafter. There will be no material changes in the present legislation or regulations, rates and bases of duties, levies and other taxes affecting the Group's and CGUs' activities.
- A pre-tax discount rate of 6% - 8% (2008: 6%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the average interest rate of 5.5% per annum on the existing facilities for the year.
- Foreign exchange rate - the foreign exchange rate will not be substantially and adversely different from the current rate.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

18 INTANGIBLE ASSETS (CONTINUED)

(1) Quick Service Restaurants and Integrated Poultry (continued)

Goodwill

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5-years forecast and projection.
- Revenue was projected at anticipated annual revenue growth of approximately 5% - 22% per annum.
- Budget gross margins were projected at annual rate of 2% - 44% per annum.
- A pre-tax discount rate of 8% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the Group's existing rate of borrowing.

The values assigned to the key assumptions represent management's assessment of future trends in the industry.

(2) Hospitals and Support services

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projection based on financial budgets approved by the Directors covering a five-year period. Cash flows beyond the five-year period are extrapolates using the estimated growth rates stated below. The growth used in the value in use calculations are as follows:

	2009 %	2008 %
Budgeted gross margin	28	28
Growth rate	7	7
Pre-tax discount rate applied to the cash flow projections	12	12
Terminal growth rate	5	5

The growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period.

<u>Recoverable amount based on value in use</u>

The Directors have determined budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

19 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:-

	Group		Corporation	
	2009	2008	2009	2008
Property, plant and equipment	11	43	-	1
Intangible assets	-	3	-	-
Receivables	2	2	2	2
Provisions	8	9	-	-
Unutilised tax losses	28	18	-	-
Unutilised reinvestment allowances	21	-	-	-
Others	16	4	-	-
	86	79	2	3

Amounts in RM million unless otherwise stated

19 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Deferred tax assets and liabilities are attributable to the following:- (continued)

	Group		Corporation	
	2009	2008	2009	2008
Offsetting	(13)	(16)	(2)	(3)
Deferred tax assets (after offsetting)	73	63	-	-
Property, plant and equipment	(582)	(442)	(8)	(8)
Investment properties	4	(16)	-	-
Unutilised reinvestment allowance	-	22	-	-
Unutilised tax losses	36	-	-	-
Others	(11)	(28)	-	(1)
	(553)	(464)	(8)	(9)
Offsetting	13	16	2	3
Deferred tax liabilities (after offsetting)	(540)	(448)	(6)	(6)

Movement of deferred tax assets and liabilities during the year are as follows:-

	Group		Corporation	
	2009	2008	2009	2008
At 1 January	(385)	(289)	(6)	(1)
(Charged)/Credited to Income Statement (Note 10)				
- Property, plant and equipment	(69)	7	-	-
- Investment properties	1	2	-	-
- Tax losses	32	2	-	-
- Provisions	(2)	1	-	-
- Receivables	(2)	-	-	-
- Others	1	(24)	-	(5)
	(424)	(301)	(6)	(6)
Charged to equity	(10)	3	-	-
Acquisition of subsidiaries	(33)	(85)	-	-
Disposal of subsidiaries	-	3	-	-
Currency translation differences	-	(5)	-	-
At 31 December	(467)	(385)	(6)	(6)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

19 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised is as follows:

	Group	
	2009	2008
Unutilised capital allowances	32	34
Deductible temporary differences	4	3
Tax losses	259	266
	295	303

20 INVENTORIES

	Group		Corporation	
	2009	2008	2009	2008
Stores and materials	275	170	2	2
Stock of produce	76	29	6	8
Finished goods	225	244	-	-
Work in progress	1	1	-	-
	577	444	8	10
Shops and houses	37	33	4	4
Land and buildings	41	45	52	57
	655	522	64	71

Inventories of the Corporation at carrying amount of RM12 million (2008:RM18.5 million) are pledged as security for borrowings. Inventories with carrying amount of RM Nil (2008:RM6 million) are in the process of discharge.

Inventories of the Corporation with carrying amount of RM12 million (2008:RM12 million) are registered in the name of subsidiaries and are in the process of transfer to the Corporation.

The title of certain leasehold land of the Corporation with carrying amount of RM1.5 million (2008: RM2 million) is in the process of being issued.

Amounts in RM million unless otherwise stated

21 TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2009	2008	2009	2008
Trade receivables	1,010	856	69	46
Less: Allowance for doubtful debts	(107)	(107)	(5)	(7)
	903	749	64	39
Other receivables	298	189	19	13
Less: Allowance for doubtful debts	(16)	(11)	(1)	(1)
	282	178	18	12
Deposits	230	149	24	1
Less: Allowance for doubtful deposits	(96)	(96)	-	-
	134	53	24	1
Prepayments	47	75	-	1
	1,366	1,055	106	53
Amount due from subsidiaries				
- Trade	-	-	568	600
- Non-Trade	-	-	1,137	1,169
	-	-	1,705	1,769
Less: Allowance for doubtful debts	-	-	(884)	(884)
	-	-	821	885
Amount due from associates	87	92	79	83
	1,453	1,147	1,006	1,021

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are widely dispersed, cover a broad spectrum of manufacturing and distribution and have a variety of end markets in which they sell. The Group's historical experience in collection of trade receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

21 TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency profile of receivables, deposits and prepayments is as follows:

	Group		Corporation	
	2009	2008	2009	2008
- Ringgit Malaysia	1,016	747	1,006	1,020
- PNG Kina	84	58	-	-
- US Dollar	348	327	-	-
- Others	5	15	-	-
	1,453	1,147	1,006	1,020

22 ASSETS HELD FOR SALE

	Group	
	2009	2008
Assets classified as held for sale		
Property, plant and equipment	103	243
Investment in an associate	13	14
Land and development expenditure	6	4
Investment properties	2	-
Prepaid lease payment	-	12
	124	**273**

Included in assets classified as held for sale are mainly the following:

i) RM103 million (2008:RM246.5 million) relates to disposal of 2 (2008:7) hospital land and buildings

ii) RM13.5 million (2008:RM13.9 million) relates to disposal of MM Vitaoils Sdn Bhd, an associate of Sindora Berhad.

Amounts in RM million unless otherwise stated

23 SHORT TERM INVESTMENTS

	Group		Corporation	
	2009	2008	2009	2008
At Cost				
Quoted shares in Malaysia	49	28	8	4
Less: Allowance for diminution in value	(12)	(20)	-	(2)
	37	8	8	2
Unquoted shares in Malaysia	16	8	-	-
Unquoted shares Overseas	12	21	-	-
Less: Allowance for diminution in value	(21)	(21)	-	-
Fund investment	33	26	-	-
	77	42	8	2
Market value for quoted shares	38	8	8	2

24 DEPOSITS, BANK AND CASH BALANCES

	Group		Corporation	
	2009	2008	2009	2008
Bank and cash balances	427	386	8	14
Fixed deposits:				
- With licensed banks	273	460	41	124
- With licensed financial institutions	5	7	-	-
	705	**853**	**49**	**138**

Included in the deposits with licensed banks are the following amount subject to restrictions:

	Group		Corporation	
	2009	2008	2009	2008
- Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	12	18	-	-
- Restricted usage under the Restructuring Corporate Master Plan	-	43	-	43
- Restricted usage under the Redeemable Secured Certificates Scheme	32	63	32	63
	44	**124**	**32**	**106**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

24 DEPOSITS, BANK AND CASH BALANCES (CONTINUED)

The currency profile of cash and cash equivalent is as follows:

	Group		Corporation	
	2009	2008	2009	2008
- Ringgit Malaysia	638	603	49	138
- US Dollar	26	25	-	-
- Indonesia Rupiah	6	3	-	-
- PNG Kina	4	101	-	-
- Euro Dollar	-	4	-	-
- Australian Dollar	4	7	-	-
- Pound Sterling	24	96	-	-
- Others	3	14	-	-
	705	853	49	138

The weighted average interest rates of deposits, bank and cash balances that were effective at the balance sheet date were as follows:

	Group		Corporation	
	2009	2008	2009	2008
Deposits with licensed banks	2.77%	4.13%	7.16%	4.58%
Deposits with licensed financial institutions	2.50%	3.30%	-	-

Deposits of the Group and of the Corporation have an average maturity of 247 days (2008: 178 days) and 644 days (2008: 228 days) respectively.

Included in cash and bank balances of the Group is an amount of RM11 million (2008: RM4 million) of which the utilisation is subject to the Housing Developers (Housing Development Account) Regulations 2002.

25 CAPITAL RESERVES

Capital reserves of the Group and the Corporation mainly comprise revaluation reserve arising from revaluation of Property, Plant and Equipment and Prepaid Lease Payments.

Amounts in RM million unless otherwise stated

26 BORROWINGS

	Group		Corporation	
	2009	2008	2009	2008
NON-CURRENT				
Secured				
- Redeemable Secured Certificates	195	195	195	195
- Finance Lease	24	32	-	-
- Term Loans	1,245	1,005	-	-
- Islamic Debt Securities	355	328	-	-
- Bridging Loan	-	11	-	-
Unsecured				
- Guaranteed Redeemable Islamic Bonds	2,654	2,543	2,654	2,543
- Term Loans	121	51	-	-
- Commercial Papers	249	214	-	-
- Federal Government Loans	17	17	17	17
	4,860	**4,396**	**2,866**	**2,755**
CURRENT				
Secured				
- Bank Overdrafts	92	39	-	-
- Revolving Credits	429	82	-	-
- Islamic Committed Revolving Credit Facility/ Scheduled Payment Arrangement	400	400	400	400
- Redeemable Secured Certificates	16	19	-	19
- Finance Lease	-	19	-	-
- Term Loans	246	309	-	-
- Islamic Debt Securities	30	2	-	-
- Bridging Loan	32	66	-	-
Unsecured				
- Guaranteed Redeemable Islamic Bonds	-	639	-	639
- Bank Overdrafts	39	71	-	-
- Revolving Credits	130	78	-	-
- Term Loans	30	19	-	-
- Federal Government Loans	62	65	62	65
- Other short term borrowings	263	210	-	-
	1,769	**2,018**	**462**	**1,123**
TOTAL	**6,629**	**6,414**	**3,328**	**3,878**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

26 BORROWINGS (CONTINUED)

The table below summarise the repayment terms of the Group's and the Corporation's loans and borrowings:-

	Year of Maturity	Carrying amount	Under 1 Year	1-2 Years	2-5 Years	Over 5 Years
2009						
Secured						
- Bank Overdrafts	-	92	92	-	-	-
- Revolving Credits	-	429	429	-	-	-
- Bridging Loan	2010	32	32	-	-	-
- Islamic Commited Revolving Credit Facility/Scheduled Payment Arrangement ("CRCF/SPA")	2012	400	400	-	-	-
- Redeemable Secured Certificate ("RSCs")	2012	195	-	195	-	-
- Finance Lease	2010-2012	40	16	12	12	-
- Term Loans	2010-2021	1,491	246	247	402	596
- Islamic Debt Securities	-	385	30	-	105	250
Unsecured						
- Bank Overdrafts	-	39	39	-	-	-
- Revolving Credits	-	130	130	-	-	-
- Term Loan	2010-2015	151	30	59	17	45
- Federal Government Loans	-	79	62	-	-	17
- Commercial Papers	2011	249	-	249	-	-
- Guaranteed Redeemable Islamic Bonds ("GRIBs")	2012	2,654	-	2,654	-	-
- Other Short Term Borrowings	-	263	263	-	-	-
		6,629	1,769	3,416	536	908
2008						
Secured						
- Bank Overdrafts	-	39	39	-	-	-
- Revolving Credits	-	82	82	-	-	-
- Bridging Loan	2010	77	66	11	-	-
- Islamic Commited Revolving Credit Facility/Scheduled Payment Arrangement ("CRCF/SPA")	2012	400	400	-	-	-
- Redeemable Secured Certificate ("RSCs")	2012	214	19	-	195	-
- Finance Lease	2012	51	19	13	19	-
- Term Loans	2021	1,314	309	337	341	327
- Islamic Debt Securities	2010-2019	330	2	48	22	258

Amounts in RM million unless otherwise stated

26 BORROWINGS (CONTINUED)

	Year of Maturity	Carrying amount	Under 1 Year	1-2 Years	2-5 Years	Over 5 Years
2008 (CONTINUED)						
Unsecured						
- Bank Overdrafts	-	71	71	-	-	-
- Revolving Credits	-	78	78	-	-	-
- Other Short Term Borrowings	-	210	210	-	-	-
- Federal Government Loans	-	82	65	-	-	17
- Term Loans	2011	70	19	11	40	-
- Commercial Papers	2012	214	-	-	214	-
- Guaranteed Redeemable Islamic Bonds ("GRIBs")	2012	3,182	639	-	2,543	-
		6,414	2,018	420	3,374	602

	Group	
	2009	2008
Finance lease liabilities		
Minimum lease payments:		
- Not later than 1 year	18	22
- Later than 1 year and not later than 2 years	12	20
- Later than 2 years and not later than 5 years	13	15
- More than 5 years	1	-
	44	57
Future finance charges on finance leases	(4)	(6)
Carrying amount of finance lease liabilities	40	51
Non current	24	32
Current	16	19
	40	51

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

26 BORROWINGS (CONTINUED)

	Group		Corporation	
	2009	2008	2009	2008
	%	%	%	%
Weighted average effective interest rates of borrowings at the balance sheet date:				
- Bank Overdrafts	6.66	6.73	-	-
- Revolving Credits	4.38	3.47	-	-
- Term Loans	5.50	5.46	-	-
- Federal Government Loans	5.98	5.98	5.98	5.98
- Other Short Term Borrowings	2.89	3.97	-	-
- Bridging Loan	7.04	8.25	-	-
- Finance Lease	4.46	3.75	-	-
- Commercial Papers	2.44	3.85	-	-

Group borrowings: Period of maturity or repricing

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
As at 31 December 2009:					
- Fixed	583	192	2,973	224	3,972
- Floating	2,657	-	-	-	2,657
	3,240	192	2,973	224	6,629
As at 31 December 2008:					
- Fixed	1,175	112	3,020	387	4,694
- Floating	1,720	-	-	-	1,720
	2,895	112	3,020	387	6,414

Corporation borrowings: Period of maturity or repricing

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
As at 31 December 2009:					
- Fixed	62	-	2,848	18	2,928
- Floating	400	-	-	-	400
	462	-	2,848	18	3,328

Amounts in RM million unless otherwise stated

26 BORROWINGS (CONTINUED)

Corporation borrowings: Period of maturity or repricing (continued)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
As at 31 December 2008:					
- Fixed	723	-	2,738	17	3,478
- Floating	400	-	-	-	400
	1,123	-	2,738	17	3,878

The currency profile of loans and borrowings are as follows:

	Group		Corporation	
	2009	2008	2009	2008
Ringgit Malaysia	6,432	6,206	3,328	3,878
US Dollar	47	34	-	-
Singapore Dollar	-	6	-	-
PNG Kina	150	168	-	-
	6,629	6,414	3,328	3,878

Estimated fair values

Except as disclosed below and the Federal Government Loans, the carrying amounts of all borrowings at balance sheet date approximated their fair values:

	Group		Corporation	
	Carrying amount	Fair value	Carrying amount	Fair value
2009				
Term Loans - fixed rate	701	529	-	-
Guaranteed Redeemable Islamic Bonds	2,653	2,527	2,653	2,527
Redeemable Secured Certificate	195	164	195	164
2008				
Term Loans - fixed rate	1,159	1,126	-	-
Guaranteed Redeemable Islamic Bonds	3,182	2,634	3,182	2,634
Redeemable Secured Certificate	214	173	214	173

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

26 BORROWINGS (CONTINUED)

Significant covenants

Corporation

In connection with the Debt Restructuring Scheme Agreement dated 29 May 2002 which resulted in the issuance of various debts instruments, namely CRCF/SPA, GRIBs and RSCs and condition imposed by Ministry of Finance ("MOF"), the Corporation covenants that it shall not:

(a) incur additional borrowings or causes any of its property to be charged except for those existing on the date of the agreement;

(b) sell or disposed any material assets otherwise than arms length transactions; and

(c) make any loan or advances to or guarantee any related company or any other person.

There is no specific financial covenant associated with the debt instruments issued by the Corporation other than in the event of default, the entire GRIB and RSCs become immediately due and repayable.

On 17 July 2002, the Corporation had applied for a restructuring of its Federal Government loans amounting to RM86.97 million (inclusive of outstanding interest) to the Ministry of Finance with the following options:-

(i) to pay off the loans by exchange of properties ; or

(ii) to restructure the loans into a soft loan repayable after 10 years with interest.

The application is still pending approval from the Ministry of Finance. Currently, the Corporation is paying RM2 million each year and will continue doing so until the maturity of all the loans under the Group's Corporate Restructuring Master Plan ("CRMP") in 2012. As a result, it is impracticable to estimate the fair value of Federal Government loans outstanding.

On 31 July 2002, the Group implemented its debt restructuring scheme under the Group's CRMP pursuant to the Debt Restructuring Agreement entered into between the Corporation, its subsidiaries and the respective lenders. In the restructuring exercise, RM4.16 billion loans were restructured which comprise of RM2.8 billion for Johor Corporation and RM1.4 billion for the subsidiaries. The lenders had also granted hair cuts to the restructured unsecured loans amounting to RM729.09 million.

With the implementation of the scheme, all the loans of Johor Corporation were converted into the following instruments:-

(i) Islamic Committed Revolving Credit Facility ("CRCF")/Scheduled Payment Arrangement ("SPA") under Conventional/Syariah principles of Murabahah (cost plus) of RM400.0 million. The tenure and profit rates of the instruments are as follows:

	Tenure	Profit Rate
CRCF	Committed for ten (10) years thereafter it will be subject to yearly review	At 0.75% p.a. above each financier's effective Islamic cost of funds
SPA	Committed for ten (10) years thereafter it will be subject to yearly review	At 0.75% p.a. above each effective Islamic cost of funds of Maybank

Amounts in RM million unless otherwise stated

26 BORROWINGS (CONTINUED)

With the implementation of the scheme, all the loans of Johor Corporation were converted into the following instruments:- (continued)

(ii) Guaranteed Redeemable Islamic Bonds ("GRIBs") under the Syariah principles of Bai' Bithaman Ajil (Deferred Payment Sale) with Islamic Debt Securities Issuance of RM2.752 billion nominal amount comprising three (3) series as follows:

Series	Nominal Amount	Tenure (Years)	Effective Yield To Maturity/Profit Margin (% p.a.)
Series 1	300	5	4.25
Series 2	500	7	4.75
Series 3	1,952	10	5.05
	2,752		

(iii) RM230.3 million nominal amount of Redeemable Secured Certificates ("RSCs") under the Syariah Principles of Qardhul Hassan with no profit rate as follows:

Series	Nominal Amount	Tenure (Years)
Series 1	16	5
Series 2	19	7
Series 3	195	10
	230	

The GRIBs and the profit under the Islamic financing for paragraph (i) above are guaranteed by Johor State Government.

The Series 1 and 2 of GRIBs and RSCs have been repaid in July 2007 and July 2009 respectively.

Subsidiaries

In connection with the significant term loan facilities granted to a subsidiary, the subsidiary has agreed on the following significant covenants with the lenders:

(a) the consolidated shareholders' fund of the subsidiary to be at least RM2.5 billion and such consolidated shareholders' fund excluding its asset revaluation reserve to be at least RM1.0 billion,

(b) the ratio of the total borrowings to the consolidated shareholders' funds at all time, to be below 0.5 times,

(c) the ratio of the earnings before interest, tax, depreciation and amortisation ("EBITDA") to interest expense of the subsidiary to be at least 1.5 times,

(d) the subsidiary will continue to maintain at least 50.1% of the issued and paid-up capital of QSR, and

(e) the subsidiary will procure and ensure that each of its subsidiary companies does not and/or will not enter into any agreements which impose restrictions on each of the subsidiary companies' ability to make or pay dividend or other forms of distributions to the shareholders.

The secured borrowings of the Group and the Corporation are secured by charges over certain assets owned by Subsidiaries in the Group and the Corporation, as mentioned in Note 11,12,13,14,17 and 20.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

NOTES TO THE FINANCIAL STATEMENTS
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Amounts in RM million unless otherwise stated

27 OTHER LONG TERM LIABILITIES

	Group		Corporation	
	2009	2008	2009	2008
Government grant	41	55	1	10
Other long term payables	65	70	-	-
Land lease rental received in advance	51	51	-	-
Others	28	14	-	-
	185	**190**	**1**	**10**
Government Grant				
At Cost				
At 1 January	206	204	12	-
Grant received during the year	15	21	7	12
Reclassification	-	(19)	-	-
At 31 December	221	206	19	12
Accumulated Amortisation				
At 1 January	151	134	2	-
Amortisation for the year	21	30	16	2
Transfer to income statement	8	-	-	-
Reclassification	-	(13)	-	-
At 31 December	**180**	**151**	**18**	**2**
Balance As At 31 December	**41**	**55**	**1**	**10**

The Long Term Payables are in respect of the balances of purchase consideration for the acquisition of freehold lands and property from State Government of Johor and the State Secretary, Johor (Incorporation) ("SSI"). These amounts are secured, interest free and are repayable as follows:

	Group	
	2009	2008
Under 1 year	5	5
1 - 2 years	5	5
2 - 3 years	5	5
Over 3 years	50	55
Carrying amount	65	70
Estimated fair value	34	37

Amounts in RM million unless otherwise stated

27 OTHER LONG TERM LIABILITIES (CONTINUED)

Land lease rentals received in advance

	Group	
	2009	2008
At Cost		
At 1 January	53	-
Additions	2	53
At 31 December	55	53
Accumulated amortisation		
At 1 January	2	-
Amortisation for the year	2	2
At 31 December	4	2
Balance as at 31 December	**51**	**51**

This represents money received in advance from sub lessees for lease periods of 30 to 60 years.

28 TRADE AND OTHER PAYABLES

	Group		Corporation	
	2009	2008	2009	2008
Trade payables	710	410	49	38
Other payables	781	633	194	244
Trade accruals	75	81	36	40
Amount due to other shareholders of subsidiaries	8	7	-	-
Amount due to subsidiaries	-	-	551	86
Amount due to associates	1	13	-	-
	1,575	**1,144**	**830**	**408**

The currency profile of trade and other payables are as follows:

	Group		Corporation	
	2009	2008	2009	2008
- Ringgit Malaysia	1,426	1,012	830	408
- PNG Kina	61	63	-	-
- US Dollar	73	36	-	-
- Others	15	33	-	-
	1,575	**1,144**	**830**	**408**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

29 GROUP BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.
Inter-segment pricing is determind based on an arm's length basis or negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and prepaid lease payments.

Business segments

The Group comprises the following main business segments:

- Palm oil - Oil palm plantation, crude palm oil processing, plantation management services and consultancy
- Healthcare - Hospitals and healthcare services
- Property - Property development and housing development
- Intrapreneur ventures - Sea transportation,parking management, sales of wood-based products and bulk mailing and printing
- Quick service restaurant - Pizza Hut, Ayamas and Kentucky Fried Chicken outlets

Other operations of the Group mainly comprise operations which are not of sufficient size to be reported separately.

Geographical segments

The Group's business segments are managed on a worldwide basis, they operate in two main geographical areas:

- Malaysia - Mainly plantation operations, healthcare operations, quick service restaurant and investment activities
- Papua New Guinea - Mainly plantation operations

In presenting information on the basis of geographical segments, segments revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

(a) Primary reporting format - Business Segments

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Eliminations	Group
GROUP - 2009								
SALES								
External sales	2,768	1,477	635	210	2,760	343	-	8,193
Intersegment sales	121	-	-	47	-	142	(310)	-
Total sales	2,889	1,477	635	257	2,760	485	(310)	8,193

Amounts in RM million unless otherwise stated

29 GROUP BUSINESS SEGMENT ANALYSIS (CONTINUED)

(a) Primary reporting format - Business Segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Eliminations	Group
RESULTS								
Segment results (External)	435	143	108	9	242	51	-	988
Unallocated income								13
Unallocated costs								(46)
Profit from operations								955
Finance costs								(323)
Share of results of associates	-	19	11	4	-	4	-	38
Profit before tax								670
Tax expenses								(224)
Profit after tax								446
Minority interests								(342)
Profit for the year								104

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
GROUP - 2009							
OTHER INFORMATION							
Segment assets	5,529	1,184	1,941	439	2,121	168	11,382
Associates	-	239	125	4	-	53	421
Unallocated assets							1,995
Consolidated total assets							13,798
Segment liabilities	400	314	137	376	513	31	1,771
Unallocated liabilities							7,285
Consolidated total liabilities							9,056
Capital expenditure	417	204	6	131	221	353	1,332
Depreciation & amortisation	140	47	6	22	104	56	375

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

29 GROUP BUSINESS SEGMENT ANALYSIS (CONTINUED)

(a) Primary reporting format - Business Segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Eliminations	Group
GROUP - 2008								
SALES								
External sales	3,634	1,287	602	178	527	54	-	6,282
Intersegment sales	112	-	36	21	-	44	(213)	-
Total sales	3,746	1,287	638	199	527	98	(213)	6,282
RESULTS								
Segment results (external)	687	115	81	19	46	(22)	-	926
Unallocated income								19
Unallocated costs								(80)
Profit from operations								865
Finance costs								(301)
Share of results of associates	-	19	4	6	57	10	-	96
Profit before tax								660
Tax expenses								(196)
Profit after tax								464
Minority interests								(361)
Profit for the year								103

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
GROUP - 2008							
OTHER INFORMATION							
Segment assets	4,573	1,100	1,212	349	592	1,456	9,282
Associates	-	227	117	4	601	69	1,018
Unallocated assets							1,973
Consolidated total assets							12,273

Amounts in RM million unless otherwise stated

29 GROUP BUSINESS SEGMENT ANALYSIS (CONTINUED)

(a) Primary reporting format - Business Segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
GROUP - 2008 (CONTINUED)							
OTHER INFORMATION (CONTINUED)							
Segment liabilities	337	270	196	189	269	76	1,337
Unallocated liabilities							6,989
Consolidated total liabilities							8,326
Capital expenditure	407	127	5	24	47	191	801
Depreciation & amortisation	124	43	13	19	26	35	260

(b) Secondary reporting format - Geographical Segments

	Sales (External)		Total Assets		Capital Expenditure	
	2009	2008	2009	2008	2009	2008
GROUP						
Malaysia	6,183	3,728	9,376	7,438	925	563
Indonesia	21	74	18	20	3	1
Papua New Guinea	275	53	1,886	1,824	335	237
United Kingdom	-	-	102	-	69	-
Rest of Asia	430	575	-	-	-	-
Rest of Europe	1,099	1,610	-	-	-	-
Other Countries	185	242	-	-	-	-
	8,193	6,282	11,382	9,282	1,332	801
Associates			421	1,018		
Unallocated assets			1,995	1,973		
Total assets			13,798	12,273		

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group of the Corporation if the Group of the Corporation 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 Corporation and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Group and the Corporation are as follows:

	Corporation	
	2009	2008
Paid/Payable to subsidiaries:-		
Purchases of FFB	72	73
Management fees	3	3
Purchase of investment properties	58	-
Guaranteed return to a subsidiary	3	3
Receipt/Receivable from subsidiaries:-		
Sale of investment in certain subsidiaries	4	374
Sale of property, plant and equipment	-	14
Sale of development land	3	-
Interest income	17	23
Dividend	90	64

	Group		Corporation	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
A charitable organisation in which the spouse of a Director is the chairman:				
- Donation	140	120	-	-
Sales of properties to Directors	2,018	-	-	-
Donation to a foundation in which a Director is the chairman	190	150	-	-

31 COMMITMENTS

(a) CAPITAL COMMITMENTS

	Group		Corporation	
	2009	2008	2009	2008
Authorised capital expenditure not provided for in the financial statements:				
- Contracted for	472	306	49	67
- Not contracted for	467	543	-	-
	939	**849**	**49**	**67**

Amounts in RM million unless otherwise stated

31 COMMITMENTS (CONTINUED)

(a) CAPITAL COMMITMENTS (CONTINUED)

	Group		Corporation	
	2009	**2008**	**2009**	**2008**
Analysed as follows:				
- Property, plant and equipment	736	732	-	-
- Development expenditure	149	109	49	67
- Investment property	48	8	-	-
- Prepaid leases (leasehold land)	6	-	-	-
	939	**849**	**49**	**67**

(b) NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	Group	
	2009	**2008**
The future minimum lease payments:		
- Not later than 1 year	250	196
- Later than 1 year and not later than 5 years	739	566
- More than 5 years	380	274
	1,369	**1,036**

32 CONTINGENT LIABILITIES

SECURED

	Group	
	2009	**2008**
Bank/Corporate Guarantee given to third parties	5	9

The Corporation has secured contingent liabilities of RM480 million arising from the loan facilities granted to certain subsidiaries that are secured by the shares of the Corporation's listed subsidiaries as disclosed in Note 14.

UNSECURED

	Group		Corporation	
	2009	**2008**	**2009**	**2008**
Potential claims by third parties	9	3	-	3
Bank/Corporate Guarantee for an associate:	10	26	-	-
	24	38	-	3

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

32 CONTINGENT LIABILITIES (CONTINUED)

Other Unsecured Contingent Liability

In 2004, a subsidiary company entered into a tripartite agreement, renewable on an annual basis, with Pelaburan Johor Berhad ("PJB") and Amanah Raya Berhad ("ARB"), the manager and trustee for both Amanah Saham Johor ("ASJ") and Dana Johor ("DJ") respectively for the implementation of a scheme for the unit holders of both ASJ and DJ. Under the scheme, the unit holders may request PJB to repurchase up to five hundred units or 10% of their present shareholding in ASJ and DJ, whichever is higher, for a repurchase price of RM1 and RM0.50 for each unit of ASJ and DJ respectively. The subsidiary company is to purchase from PJB units of ASJ and DJ which PJB is required to repurchase from unit holders of ASJ and DJ. The scheme also allows the unit holders to resell the units at the above price at 10% per annum.

In June 2008, the ASJ scheme was terminated and the remaining units were transfered to ARB.

In 2009, the Group entered into a fifth tripartite agreement with PJB and ARB for the repurchase of DJ. Under this agreement, PJB shall offer to repurchase an agreed portion of the DJ units from the unit holders.

As of year end, the Group is liable to the extent of the remaining units of DJ in circulation under the scheme. The probability of the outflow of future economic benefits arising from the scheme is not readily determinable. Hence, no provision for liability arising from the aforesaid scheme is made in the financial statements.

33 FINANCIAL INSTRUMENTS

The Group's diversified activities expose it to a variety of financial risks, including foreign currency exchange risk, interest risk, market risk, credit risk, liquidity and cashflow risk.

The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures.The Group does not trade in financial instruments.

i. *Foreign currency risk*

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar("USD") and EURO Dollar("EUR"). The Group uses forward foreign exchange contracts in currencies other than its functional currency to manage its exposure to fluctuations in foreign currency exchange rate on specific transactions. In respect of other monetary assets and liabilities held in currencies other than RM, the Group ensures that the net exposures is kept to an acceptable level.

At 31 December 2009, the settlement dates on open forward contracts range between 1 and 6 months. The foreign currency amount and contractual exchanges rates of the Group's outstanding contracts are as follows:

Hedge Item	Currency	Amount to be received (million)	Average contract rate	Equivalent RM million
GROUP - 2009				
Trade receivables	USD	76	RM3.5	261
GROUP - 2008				
Trade receivables	USD	108	RM3.2	347

Amounts in RM million unless otherwise stated

33 FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of outstanding forward contracts of the Group at the balance sheet date approximated their carrying amounts.

ii. Price fluctuation risk

The Group is exposed to price fluctuation risk on commodities mainly on palm oil and oleochemical products. The Group mitigates its risk to the price volatility through establishing floating and fixed price level that the Group consider acceptable and where deemed prudent, selling forward in the physical market and/or enters physical supply agreement, where necessary, to achieve these levels.

iii. Market risk

The Group's principal exposure to market risk arises mainly from changes in equity prices. The Group does not use derivative financial instruments to manage equity risk. The risk of loss in value is minimised through analysis before making the investment and continuous monitoring of the performance and risk of the investment made. The Group manages disposal on its investment to optimise returns on realisation.

iv. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has variable rate borrowings that are used to fund ongoing activities and accordingly, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of floating rate debts.

v. Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk arises when derivative instruments are used or sales made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history.

The Group does not have any significant exposure to any individual customer or by counterparty nor does it have any major concentration of credit risk related to any financial instruments.

vi. Liquidity and cash flow risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Cash flow risk is the risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, refinancing, repayment and funding needs are met.

The Group strives to maintain flexibility in funding by keeping its credit lines available at a reasonable level. As far as possible, the Group raises funding from financial institutions and prudently balances its portfolio with some short and long term funding so as to achieve overall cost effectiveness.

vii Fair values

The carrying amounts of financial assets and liabilities of the Group and Corporation at the balance sheet date approximated their fair values except as disclosed in Note 14, 15, 16, 23, 26 and 27.

It is not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive cost.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

34 SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

1. On 2 June 2009, Kulim (Malaysia) Berhad ("KMB"), a subsidiary of Corporation announced the expiry of its Warrants 2004/2009 on 30 June 2009. Kulim warrants were effectively removed from the Official List of Bursa Securities on 1 July 2009.

2. On 30 June 2009, KMB announced that it has entered into an agreement with CIMB Islamic Bank Berhad and OCBC Al-Amin Bank Berhad ("the Financers") for the acceptance of a Syndicated Islamic Financing facility of up to the maximum aggregate amount of RM430 million in accordance with Syariah principle of Ijarah Muntahiah Bit Tamleek. The purpose of the loan is to re-finance the amount outstandings of up to RM405 million under the RM383 million Syndicated Master Revolving Islamic Facility and RM367.5 million Al-Ijarah Al-Muntahiyah Bit Tamleek Facility granted by CIMBI and OCBC Al-Amin (then under OCBC Bank (Malaysia) Berhad), and the remaining balance for working capital purposes.

3. QSR Brands Bhd ("QSR"), a subsidiary of KMB acquired 865,300 ordinary shares in KFC Holding (Malaysia) Berhad ("KFCH") on 2 January 2009 representing 0.44% of the issued and paid-up share capital of KFCH for a total purchase consideration of RM6,612,657 ("the Acquisition"). Following the Acquisition, the Group's shareholdings in KFCH increased from 49.81% to 50.25%, thereby effectively making KFCH an indirect subsidiary of KMB.

4. On 30 April 2009, KFCH announced that it had accepted an offer from Yum! Restaurants (India) Pvt. Ltd. as part of the initial agreement, to operate KFC Franchise Business in Mumbai and Pune in India.

   Following on this:

   - On 13 May 2009, KFCH announced the acquisition of the entire issued and paid-up share capital of KFC India Holdings Sdn. Bhd. (formerly known as Orient Palm Sdn. Bhd.), comprising two (2) ordinary shares of RM1.00 each, for a total cash consideration of RM2.00. KFC India Holdings Sdn Bhd is intended to be used for the purpose of KFCH's venture into KFC India.

   - On 7 August 2009, KFCH announced the establishment of a wholly-owned subsidiary in Mauritius, namely Mauritius Food Corporation Pvt. Ltd. ("Mauritius") via its wholly-owned subsidiary, KFC India Holdings Sdn. Bhd. (formerly known as Orient Palm Sdn.Bhd.). The paid-up share capital of Mauritius is USD2.00 comprising 2 ordinary shares. Mauritius will be the investment holding company for the operating companies to be established in Mumbai and Pune, India.; and

   - On 30 September 2009, KFCH, via Mauritius, announced that it had established Mumbai Chicken Pvt. Ltd. and Pune Chicken Restaurants Pvt. Ltd.

5. During 2009, at various dates, KFCH announced that it had through Roaster's Chicken Sdn.Bhd. and Ayamas Food Corporation Sdn. Bhd. entered into several Sale and Purchase of Shares Agreements Incorporating Shareholders' Agreements and Subscription Agreements with various third parties.

   The Agreements enable the third parties to purchase and/or subscribe ordinary shares representing up to 10% and 25% equity interest respectively in the respective companies arising from the implementation of the Rasamas Intrapreneur Scheme and Ayamas Intrapreneur Contract Farming Scheme.

6. On 18 September 2009, KFCH announced that it had entered into a Share Sale Agreement for the acquisition of the entire equity interest in Paramount Management Sdn. Bhd. and Paramount Holdings (M) Sdn. Bhd., comprising 500,000 ordinary shares and the entire equity interest in Gratings Solar Sdn. Bhd. comprising 200,000 ordinary shares, at a total cash consideration of RM6.5 million. The acquisition was completed on 29 January 2010. The effect of the acquisition is not significant to the Group's financial statements.

7. On 3 March 2009, Sindora Berhad ("SB"), a subsidiary of Kulim (Malaysia) Berhad, entered into a conditional Exchange of Land Agreement with Sime Darby Plantations Sdn Bhd ("SDPSB") to transfer Ladang Sungai Simpang Kiri ("LSSK") for a consideration of RM77,700,000 in exchange for the transfer of the SDPSB for a consideration of RM71,700,000 together with a cash payment of RM6,000,000 to SB. The transaction was completed on 1 September 2009.

Amounts in RM million unless otherwise stated

34 SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

8. On 6 May 2009, SB entered into a conditional Subscription and Shareholders Agreement with Orkim Sdn. Bhd. ("Orkim") and its existing shareholders, for the proposed subscription of 7,524,019 new ordinary shares at RM1.33 each in Orkim share for a total cash consideration of RM9,999,000.

   On the same day, EA Technique Sdn. Bhd., a 51% owned subsidiary of SB, also entered into a conditional Subscription and Share Purchase Agreement with Orkim Sdn. Bhd. and its existing shareholders, for the proposed subscription of 3,475,981 and 3,206,286 new ordinary shares at RM1.87 and RM1.30 respectively each in Orkim share for a total cash consideration of RM10,669,172. Consequently SB group's investment in Orkim Sdn. Bhd. is equivalent to 38% of the enlarged issued and paid-up share capital.

9. On 15 July 2009, SB entered into two conditional Share Sale Agreements (''SSA'') with Willis Europe B.V and Abdullah bin Md. Zahid to dispose 190,000 and 210,000 ordinary shares of RM1.00 each respectively in Willis (Malaysia) Sdn.Bhd., a 40% owned associated company for a total consideration of USD4,000,000 (equivalent to RM14,208,000).

10. On 12 May 2009, SB received a Letter of Acceptance from Encik Mazlan bin Muhammad ("MM") pertaining to the proposed disposal by SB to MM of 2,375,000 ordinary shares of RM1.00 each ("Sales Shares") representing 35% equity interest in MM Vitaoils Sdn. Bhd. ("MMV") for a total cash consideration of RM13,500,000 or approximately RM5.68 per share. During the year, SB received a partial settlement for the proposed disposal amounting to RM1,600,000. SB is currently in the process of renegotiating the payment arrangement with MM and the disposal is expected to be completed by 2010.

11. On 30 October 2009, SB disposed 400,000 shares of RM1.00 each in AmanahRaya-JMF Asset Management Sdn. Bhd. representing 20% shareholding in the Company for cash consideration of RM1,400,000 pursuant to an offer from Amanah Raya Berhad.

12. On 27 October 2009, SB accepted an offer to acquire all preference shares held by Commerce-KNB Agro Teroka Sdn. Bhd. in Microwell Sdn. Bhd. for a total purchase price of RM4,500,000. SB has paid a sum of RM450,000, equivalent to 10% of the purchase price as a deposit. The acquisition is expected to be completed in 2010.

13. On 9 September 2009, E.A. Technique (M) Sdn. Bhd., a subsidiary of SB entered into a Memorandum of Agreement (''MOA'') with Lucky Marine Co. Ltd to dispose M.T. Nautica Segamat, a 4,421 Dead Weight Tonnage (''DWT'') Liquid Petroleum Gas vessel for a total cash consideration of USD4,200,000 or approximately RM14,380,000.

14. On 25 February 2010, KMB announced that New Britain Palm Oil Limited ("NBPOL"), a 50.68% owned subsidiary of Kulim, had on 24 February 2010 entered into a Share Purchase Agreement to acquire 80% of the share in CTP (PNG) Limited from CTP Holdings Pte Limited, a company majority held by Cargill Group. CTP (PNG) Limited is an established oil palm plantation company operating in Papua New Guinea, producing crude palm oil and other palm products for the international market. CTP (PNG) Limited will be acquired for a consideration of USD$175 million payable in cash, plus additional consideration in relation to stocks and capital expenditure.

15. On 9 March 2010, KMB proposed the disposal of a property known as Menara Ansar to Al- 'Aqar KPJ REIT for a total sale consideration of RM105 million to be satisfied partly by cash consideration of RM63 million and RM42 million by the issuance of 42,857,000 new units in Al-'Aqar at an issue price of RM0.98 per unit.

16. During the financial year 2009, KPJ Healthcare Berhad ("KPJ"), a subsidiary of the Corporation, has disposed its entire interest in Seremban Specialist Hospital building, Bukit Mertajam Specialist Hospital building, Taiping Medical Centre building, Kota Kinabalu Specialist Hospital building, KPJ Penang Specialist Hospital building, Tawakal Hospital existing building and PNC International College of Nursing and Health Sciences building to Al-'Aqar KPJ REIT for a sale consideration of RM189.5 million resulting in gain on disposal of RM3.1 million. Only KPJ Tawakal Specialist Hospital's new building was not disposed as at balance sheet date. The disposal will take effect upon issuance of the Certificate of Fitness which is expected to be received in April 2010.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009 CONTINUED

Amounts in RM million unless otherwise stated

34 SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

17. On 29 July 2009, Kumpulan Perubatan Johor Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ entered into a conditional Sale and Purchase Agreement ("SPA") with Greenbelt View Sdn Bhd for the proposed acquisition of a partially completed building ("Bandar Baru Klang Medical Centre Building") for a purchase consideration of RM38.0 million. The proposed acquisition was completed on 17 November 2009.

18. On 26 November 2009, KPJSB entered into a subscription agreement ("Subscription Agreement") with Intrapreneur Development Sdn Bhd (formerly known as JCorp Property Management Sdn Bhd) ("Fund") for the proposed subscription of 50,000 Redeemable Preference Shares of RM0.01 each in Intrapreneur Development Sdn Bhd at an issue price of RM100.00 each totalling to RM5.0 million.

19. On 26 November 2009, the shareholders of KPJ have approved the following proposals:

    (i) Share split involving the subdivision of every existing one (1) ordinary share of RM1.00 each in KPJ into two (2) ordinary shares of RM0.50 each ("shares") in KPJ ("Share Split");

    (ii) Bonus issue of up to 105,525,308 new shares ("Bonus Shares"), to be credited as fully paid up by KPJ, on the basis of one (1) Bonus Share for every four (4) Shares held by the entitled shareholders of KPJ after the Share Split ("Bonus Issue"): and

    (iii) Issue of up to 131,906,635 free warrants in KPJ ("Free Warrants") on the basis of one (1) Free Warrant for every four (4) Shares held by the entitled shareholders of KPJ after the Share Split and Bonus Issue ("Free Warrants Issue").

    The transaction were completed on 15 January 2010 with listing of the Share Split, Bonus Shares and Free Warrants. Upon completion, the number of issued and paid up ordinary share capital and warrants listed and quoted on Bursa Malaysia Securities Berhad is 527,626,510 and 131,906,484 respectively.

20. On 16 December 2009, Maharani Specialist Hospital Sdn Bhd, wholly-owned subsidiary of KPJSB entered into conditional Sale and Purchase Agreement ("SPA") with Property Base Development Sdn Bhd for the proposed acquisition of a piece of freehold land with a partially completed building Lot 2024, Bandar Maharani, Muar for a purchase consideration of RM22.0 million. The acquisition has yet to be completed pending fulfillment of conditions precedent.

21. On 6 January 2010, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ entered into a conditional Share Sale Agreement with Sabah Medical Centre Sdn Bhd for the acquisition of 40.8 million ordinary shares of RM1.00 each representing 51% equity interest in SMC Healthcare Sdn Bhd ("SMCH") for a cash consideration of RM51.0 million. KPJSB has also entered into a Management Agreement with SMCH for the appointment of KPJSB to manage the existing and the new private hospitals of SMCH. The acquisition is expected to complete by first quarter of 2010.

22. On 9 Mac 2010, KPJ proposes to dispose its entire interest in Rumah Sakit Bumi Serpong Damai Building, Kluang Utama Specialist Hospital Building and Bandar Baru Klang Specialist Hospital Building to Al-'Aqar KPJ Real Estate Investment Trust ("Al-'Aqar KPJ REIT") for a proposed total sale consideration of RM138.77 million to be satisfied partly by cash consideration of RM83.26 million and partly by issuance of 56.64 million new units in Al-'Aqar at an issue price of RM0.98 per unit to be credited as fully paid-up ("proposed disposal").The proposed disposals are expected to complete by second half of 2011.

23. On 21 July 2009, Johor Land Berhad ("JLB"), a subsidiary of the Corporation, delisted its entire issued and paid-up share capital from the official list of Bursa Malaysia Securities Berhad.

24. On 1 January 2009, as part of the exercise to delist JLB, Damansara Assets Sdn Bhd ("DASB"), a subsidiary of the Corporation, acquired 52,704,705 ordinary shares of RM1.00 each, representing 11.68% equity interest in JLB for a cash consideration of RM81,692,923, by participating in the Voluntary Take over Offer together with Johor Corporation.

Amounts in RM million unless otherwise stated

34 SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

25. On 7 January 2009, DASB entered into a Joint Venture Agreement ("JV Agreement") with its subsidiary Bukit Damansara Development Sdn. Bhd. and a third party, Impian Ekspresi Sdn. Bhd. ("IESB"). Under the terms of the agreement, IESB shall acquire and develop Pusat Bandar Damansara Complex together with a piece of land adjacent to it.

    In consideration, DASB is entitled to receive cash of RM500 million, and:

    (i) 500,000 square feet of office space in the office buildings to be constructed in the proposed redevelopment of Pusat Bandar Damansara Complex and the adjacent land; or

    (ii) Office space with a market value of RM200 million, if the redevelopment is to be under taken on the Pusat Bandar Damansara Complex only.

26. On 17 August 2008, a fire occurred at Tank 1 (T-1) in Tanjung Langsat Port Sdn. Bhd. ("TLP"), a subsidiary of the Corporation, which contained 17,800 cubic meters of Unleaded Gasoline. The fire spread to Tank 2 (T-2) which held 11,200 cubic meters of Naptha on the second day. The fire was finally put off on 20 August 2008.

    During the financial year ended 31 December 2009, TLP submitted insurance claims to the insurer for the fire extinguishment exercise expenses, repair expenses on effected nearby facilities, tank reconstruction, refurbish of existing facilities and consequential losses.

    TLP, had appointed a contractor to rebuild T-1 and T-2. However, the construction of the storage tanks were delayed till the completion of the waste disposal and demolishing works, inspection by insurer and related authorities. The management expects that part of storage tanks operation will resume in May 2010 while full operation will resume by October 2010.

    As at end of the financial year, the management of TLP is awaiting response from insurer in respect of the claim submitted.

27. On 28 January 2009, a subsidiary of Kumpulan Penambang (Johor) Sdn Bhd, a subsidiary of the Corporation, entered into an agreement with Amanah Raya Berhad, acting as trustee on behalf of Al-'Aqar KPJ Real Estate Investment Trust ("Al-'Aqar KPJ REIT") to dispose its freehold land together with a hotel property and office building to Al-'Aqar KPJ REIT for a total sale consideration of RM87,000,000 to be satisfied by the following:

    (i) Issuance of 28,421,000 new units of Al-'Aqar KPJ REIT at an issue price of RM0.95 per unit; and

    (ii) Cash consideration of RM60,000,050 to be raised by Al-'Aqar KPJ REIT from its financing facilities.

The disposal was completed on 15 May 2009.

28. On 6 November 2009, the shareholders of Damansara Realty Berhad ("DRB"), a listed associate of the Corporation have approved the following proposals:

    i) Share exchange of DRB's issued and paid-up share capital with the issuance of new ordinary shares in Insan Kualiti Sdn. Bhd. ("IKSB"), a wholly-owned subsidiary of DRB. Furthermore, the listing status of DRB on the Main Market of Bursa Malaysia Securities Berhad is to be transferred to IKSB.

    ii) The Corporation proposed to dispose 100% of the equity interest in Tanjung Langsat Port Sdn. Bhd. ("TLP") and TPM Technopark Sdn. Bhd. ("TPM") to IKSB, settle via issuance of 60% IKSB's shares and transfer of 100% DRB's shares. A net cash settlement of RM80 million will be payable by the Corporation to IKSB.

    Upon completion, DRB and IKSB become direct subsidiaries of the Corporation while TLP and TPM become wholly-owned subsidiaries of IKSB.

29. As at 31 December 2009, the Corporation and a trade debtor, Syarikat Perumahan Negara Berhad ("SPNB") have agreed in principle to terminate the sales & purchase agreement dated 26 January 2006. However the details of the settlement arrangement is currently still under negotiation.

LIST OF SUBSIDIARIES AND ASSOCIATES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS				
A PALM OIL				
ACTIVE COMPANIES				
Kulim (Malaysia) Berhad #	Holding company, manufacturing and oil palm plantation	Malaysia	51.98	53.22
EPA Management Sdn Bhd	Investment holding, provision of management services and consultancy, and mechanical equipment assembler	Malaysia	51.98	53.22
Kumpulan Bertam Plantations Berhad	Oil palm plantation	Malaysia	49.12	50.39
Kulim Plantations (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	51.98	53.22
Mahamurni Plantations Sdn Bhd	Oil palm plantation	Malaysia	51.98	53.22
Pembangunan Mahamurni Sdn Bhd	Investment holding	Malaysia	51.98	53.22
United Malayan Agricultural Corporation Bhd	Oil palm plantation	Malaysia	51.98	53.22
Natural Oleochemicals Sdn Bhd	Manufacturer of oleochemical products	Malaysia	47.50	48.63
Pristine Bay Sdn Bhd	Investment holding	Malaysia	75.51	76.14
Selai Sdn Bhd	Oil palm plantation	Malaysia	51.98	53.22
Skellerup Industries (Malaysia) Sdn Bhd	Holding company and manufacturing of rubber products	Malaysia	51.98	53.22
Natural Soaps Sdn Bhd	Manufacturer of 'soap noodles' and detergent	Malaysia	47.50	48.63
Panquest Ventures Limited (BVI)	Management services/ Investment holdings	British Virgin Island	51.98	53.22
PT Kulim Agro Persada	Management services	Indonesia	51.98	53.22
Kulim TopPlant Sdn Bhd	Production of high-yielding oil palm clones by plant tissue culture technology	Malaysia	31.19	31.93
QSR Brands Berhad #	Investment holding and provision of management services	Malaysia	32.17	32.27
Nexsol (Malaysia) Sdn Bhd	Manufacturer of biodiesel	Malaysia	26.51	27.14
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	51.98	53.22
Kulim Energy Sdn Bhd	Investment holding	Malaysia	51.98	53.22
Dubois-Natural Esters Sdn Bhd	Manufacturing of esters	Malaysia	26.13	26.75
Natural Wax Sdn Bhd	Dormant	Malaysia	28.50	29.18
Nexsol (Singapore) Pte Ltd	Manufacturer of methyl esters	Singapore	25.47	26.08
New Britain Palm Oil Ltd (NBPOL)	Oil palm plantation	Papua New Guinea	26.34	26.97

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Guadalcanal Plains Palm Oil Limited	Grow and process oil palm	Solomon Islands	21.07	21.58
New Britain Nominees Limited	Operate as legal entity for New Britain Palm Oil Ltd, share ownership plan	Papua New Guinea	26.34	26.97
Dami Australia Pty Ltd	Research and production of oil palm seeds	Australia	26.34	26.97
New Britain Plantation Services Pte Limited	Sale of germinated oil palm seeds	Singapore	26.34	26.97
Ramu Agri-Industries Limited	Oil palm, cultivation of sugar cane and other agriculture produce products	Papua New Guinea	26.34	26.97
Dumpu Limited	Landholding	Papua New Guinea	26.34	26.97
New Britain Oils Limited	Refinery	United Kingdom	26.34	26.97
Pizza Hut Holdings (Malaysia) Sdn Bhd	Investment holding	Malaysia	32.17	32.27
Pizza Hut Restaurants Sdn Bhd	Quick service restaurants	Malaysia	32.17	32.27
QSR Ventures Sdn Bhd	Investment holding	Malaysia	32.17	32.27
Pizza Hut Singapore Pte Ltd	Quick service restaurants	Singapore	32.17	32.27
KFC Holdings (Malaysia) Bhd #	Investment holding	Malaysia	16.16	16.07
Tepak Marketing Sdn Bhd	Contract packing	Malaysia	39.36	30.70
Rasamas Batu Caves Sdn Bhd	Restaurants	Malaysia	16.16	-
Rasamas Tebrau Sdn Bhd	Restaurants	Malaysia	14.41	-
Rasamas Bangi Sdn Bhd	Restaurants	Malaysia	16.16	-
Rasamas Larkin Sdn Bhd	Restaurants	Malaysia	14.35	-
Rasamas Tmn Universiti Sdn Bhd	Restaurants	Malaysia	14.40	-
Ayamas Food Corporation Sdn Bhd	Poultry Processing and further processing plant	Malaysia	16.16	-
Integrated Poultry Industry Sdn Bhd	Poultry Processing plant	Malaysia	16.16	-
Kedai Ayamas Sdn Bhd	Poultry retail and convenience food store chain	Malaysia	16.16	-
Kentucky Fried Chicken (Malaysia) Sendirian Berhad	Restaurants	Malaysia	16.16	-
KFC (East Malaysia) Sdn Bhd	Investment holding	Malaysia	16.16	-
Ayamas Integrated Poultry Industry Sdn Bhd	Breeder and broiler farms, hatchery, feedmill, and investment holding	Malaysia	16.16	-
KFC Manufacturing Sdn Bhd	Bakery, trading in consumables, investment holding	Malaysia	16.16	-

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Group Effective Interest Dec 2008 %
I CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
KFC (Peninsular Malaysia) Sdn Bhd	Restaurants, Commissary, investment holding	Malaysia	16.16	-
KFC Restaurant Holdings Sdn Bhd	Investment holding	Malaysia	16.16	-
KFC (Sabah) Sdn Bhd	Restaurants	Malaysia	14.54	-
KFC (Sarawak) Sdn Bhd	Restaurants	Malaysia	16.16	-
Ladang Ternakan Putihekar (N.S) Sdn Bhd	Breeder farms	Malaysia	16.16	-
MH Integrated Farm Berhad	Property holding	Malaysia	16.16	-
Pintas Tiara Sdn Bhd	Property holding	Malaysia	16.16	-
Rasamas Holding Sdn Bhd	Restaurants	Malaysia	16.16	-
Region Food Industries Sdn Bhd	Sauce manufacturing plant	Malaysia	16.16	-
Signature Chef Dining Services Sdn Bhd	Restaurants	Malaysia	16.16	-
Signature Chef Foodservices and Catering Sdn Bhd	Restaurants	Malaysia	16.16	-
SPM Restaurants Sdn Bhd	Meals on wheels, property holding	Malaysia	16.16	-
Kentucky Fried Chicken Management Pte Ltd	Restaurants	Singapore	16.16	-
KFC (B) Sdn Bhd	Restaurants	Brunei	7.42	-
KFC India Holdings Sdn Bhd (Formerly known as Orient Palm Sdn Bhd)	Investment holding	Malaysia	16.16	-
Mauritious Food Corporation Pvt Ltd	Investment holding	Mauritious	16.16	-
Mumbai Chicken Pvt Ltd	Restaurants	India	16.16	-
Pune Chicken Restaurants Pvt Ltd	Restaurants	India	16.16	-
WQSR Holdings (S) Pvt Ltd	Investment holding	Singapore	16.16	-
Restoran Keluarga Sdn Bhd	Restaurants	Malaysia	16.16	-
Semangat Juara Sdn Bhd	Broiler farm	Malaysia	12.12	-
Ayamas Farms & Hatchery Sdn Bhd	Broiler farm	Malaysia	14.54	-
Ayamas Feedmill Sdn Bhd	Broiler farm	Malaysia	13.77	-
Roaster's Chicken Sdn Bhd	Investment holding	Malaysia	16.16	-
Rasamas Sdn Bhd (Brunei Darussalam)	Restaurants	Brunei	7.42	-
Kampuchea Food Corporation	Quick service restaurants	Cambodia	17.69	17.75
Restoran Sabang Sdn Bhd	Restaurants	Malaysia	16.16	-
Seattle's Best Coffee Sdn Bhd	Restaurants	Malaysia	16.16	-

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
KFC Marketing Sdn Bhd	Sales and marketing of food products	Malaysia	16.16	-
Bakers' Street Sdn Bhd	Restaurant	Malaysia	16.16	-
KFC Events Sdn Bhd	Sales of Food Products, Vouchers	Malaysia	16.16	-
Rasamas Subang Sdn Bhd (Formerly known as Supreme Delight Sdn Bhd)	Restaurant	Malaysia	14.54	-
Rasamas Butterworth Sdn Bhd (Formerly known as Heritage Revenue Sdn Bhd)	Restaurant	Malaysia	14.54	-
Rasamas Wangsa Maju Sdn Bhd (Formerly known as Sensasi Lemon Sdn Bhd)	Restaurant	Malaysia	14.54	-
Akli Resources Sdn Bhd (Formerly known as Volgen Industry program Sdn Bhd)	In-house and external training	Malaysia	49.38	53.22
Asia Green Environmental Sdn Bhd	The provision of management services and compositing technology, production and sales of compost related products, designing, manufacturing, assembling equipment and selling of machinery, ancillary equipment or any order equipment relating to waste management system	Malaysia	-	15.97
DORMANT COMPANIES				
The Secret of Secret Garden Sdn Bhd (Formerly known as Natural Alcohols Sdn Bhd)	Dormant	Malaysia	51.98	-
Skellerup Latex Products (M) Sdn Bhd	Manufacturing of rubber products	Malaysia	51.98	53.22
Tambola Pty Limited	Dormant	Australia	26.34	26.97
PH Property Holdings Sdn Bhd	Dormant	Malaysia	32.27	32.27
Multibrand QSR Holdings Pte Ltd	Dormant	Singapore	32.17	32.27
Pizza Hut Delco Sdn Bhd (Formerly known as Signature Chef Holdings Sdn Bhd)	Dormant	Malaysia	32.17	32.27
Sterling Distinction Sdn Bhd	Dormant	Malaysia	32.17	32.27
SBC Coffee Holdings Sdn Bhd	Dormant	Malaysia	32.27	32.27
EPA Futures Sdn Bhd	Dormant	Malaysia	51.98	53.22

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Group Effective Interest Dec 2008 %
I CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Helix Investments Limited	Dormant	Hong Kong	16.16	-
WP Properties Holdings Sdn Bhd	Investment holding	Malaysia	16.16	-
Asbury's (Malaysia) Sdn Bhd	Dormant	Malaysia	16.16	-
Wangsa Progresi Sdn Bhd	Dormant	Malaysia	16.16	-
Rangeview Sdn Bhd	Dormant	Malaysia	16.16	-
Chippendales (M) Sdn Bhd	Dormant	Malaysia	16.16	-
Ayamazz Sdn Bhd (Formerly known as Rasa Gourmet Sdn Bhd)	Push-cart selling food and refreshment	Malaysia	16.16	-
Ayamas Contract Farming Sdn Bhd	Dormant	Malaysia	16.16	-
Ayamas Franchise Sdn Bhd	Dormant	Malaysia	16.16	-
Ayamas Food Corporation (S) Pte Ltd	Dormant	Singapore	16.16	-
Hiei Food Industries Sdn Bhd	Dormant	Malaysia	13.09	-
Yes Gelato Sdn Bhd	Dormant	Malaysia	12.93	-
Ayamas Selatan Sdn Bhd	Dormant	Malaysia	16.16	-
Ayamas Markering (M) Sdn Bhd	Dormant	Malaysia	16.16	-
Skellerup Foam Products (Malaysia) Sdn Bhd	Manufacturing of rubber products (Carpet underlay)	Malaysia	51.98	53.22
Cilik Bistari Sdn Bhd (Formerly known as Roda Kapital Sdn Bhd)	Dormant	Malaysia	16.16	-
Usahawan Bistari Ayamas Sdn Bhd (Formerly known as Universal Bonus Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas Melaka Sdn Bhd (Formerly known as Prisma Circle Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas Terminal Larkin Sdn Bhd (Formerly known as Bold Ocean Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas Nilai Sdn Bhd (Formerly known as Midland Brand Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas Mergong Sdn Bhd (Formerly known as Smart Revenue Sdn Bhd)	Dormant	Malaysia	16.16	-

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Rasamas Bukit Tinggi Sdn Bhd (Formerly known as Premier Option Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas Endah Parade Sdn Bhd (Formerly known as Bima Permata Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas Kota Bahru Sdn Bhd (Formerly known as Dominion Brand Sdn Bhd)	Dormant	Malaysia	16.16	-
Rasamas BC Sdn Bhd (Formerly known as Natural Equity Sdn Bhd)	Dormant	Malaysia	16.16	-
B HEALTHCARE				
ACTIVE COMPANIES				
KPJ Healthcare Berhad #	Investment holding	Malaysia	50.21	50.37
Kumpulan Perubatan (Johor) Sdn Bhd	Investment holding and specialist hospital management	Malaysia	50.21	50.37
Johor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Ipoh Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	49.43	49.58
Pusat Pakar Tawakal Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Ampang Puteri Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Damansara Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Puteri Specialist Hospital (Johor) Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Kuantan Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.93	39.05
Puteri Nursing College Sdn Bhd	Nursing college	Malaysia	50.21	50.37
FP Marketing (S) Pte Ltd	Distributor of pharmaceutical products	Singapore	50.21	50.37
PT Khidmat Perawatan Jasa Medika	Specialist hospital	Indonesia	80.00	80.00
PT Selasih Husada Pratama	Specialist hospital	Indonesia	69.67	69.67
Medical Supplies (Sarawak) Sdn Bhd	Pharmaceutical dealer and outlets	Malaysia	37.66	37.78
Bukit Mertajam Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	35.15	35.26
Pharmaserv Alliances Sdn Bhd	Distributor of pharmaceutical products	Malaysia	50.21	50.37

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Group Effective Interest Dec 2008 %
I CORE BUSINESS (CONTINUED)				
B HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Kuching Specialist Hospital Sdn Bhd (Formerly known as Puteri Healthcare Sdn Bhd)	Specialist hospital	Malaysia	35.15	35.26
Selangor Specialist Hospital Sdn Bhd (Formerly known as Selangor Medical Centres Sdn Bhd)	Specialist hospital	Malaysia	30.13	30.22
Hospital Pusrawi SMC Sdn Bhd	Provide all kinds of medical treatment	Malaysia	15.37	15.46
Open Access Sdn Bhd	Pharmacy operator	Malaysia	50.21	50.37
Pharmacare Sdn Bhd	Trading and chain of pharmacy	Malaysia	50.21	50.37
Sentosa Medical Centre Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Kajang Specialist Hospital Sdn Bhd (Formerly known as Hospital Sentosa Sdn Bhd)	Specialist hospital	Malaysia	50.21	50.37
Kedah Medical Centre Sdn Bhd	Specialist hospital	Malaysia	22.92	23.00
Hospital Penawar Sdn Bhd	Specialist hospital	Malaysia	15.06	15.11
Lablink (M) Sdn Bhd	Lab and pathology services	Malaysia	50.21	42.31
Perdana Specialist Hospital Sdn Bhd (Formerly known as Pusat Pakar Darul Naim Sdn Bhd)	Specialist hospital	Malaysia	30.41	30.50
Kota Kinabalu Specialist Hospital Sdn Bhd (Formerly known as Damai Specialist Centre Sdn Bhd)	Specialist hospital	Malaysia	48.70	47.85
Seremban Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	36.13
PT Khasanah Putera Jakarta Medica	Specialist hospital	Indonesia	37.66	43.76
Tawakal Holdings Sdn Bhd	Investment holdings	Malaysia	50.21	50.37
Taiping Medical Centre Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Prai Specialist Hospital Sdn Bhd	Development, education and general trading	Malaysia	50.21	50.37
Diaper Technology Industries Sdn Bhd	Providing IT Services and rental of software	Malaysia	47.07	47.22
Pusat Pakar Kluang Utama Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Pasir Gudang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	-

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS (CONTINUED)				
B HEALTHCARE (CONTINUED)				
DORMANT COMPANIES				
Maharani Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	50.37
Malaysian Institute of Healthcare Management Sdn Bhd	Institute of healthcare management	Malaysia	37.66	37.78
Pharmacare Surgical Technologies Sdn Bhd	Manufacturing of surgical thread	Malaysia	50.20	50.36
Renalcare Perubatan (M) Sdn Bhd	Haemodialysis services	Malaysia	50.21	50.37
Renal Link Sentosa Sdn Bhd	Dormant	Malaysia	50.21	50.37
Bayan Baru Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	27.61	27.70
Freewell Sdn Bhd	Ladies sanitary napkin manufacturer	Malaysia	40.16	40.30
KPJ Mediktv Sdn Bhd	Dormant	Malaysia	50.21	50.37
Skop Yakin (M) Sdn Bhd	Dormant	Malaysia	50.21	-
Evolusi Spektra (M) Sdn Bhd	Dormant	Malaysia	50.21	-
Point Zone (M) Sdn Bhd	Dormant	Malaysia	50.21	-
Niche Galaxy (M) Sdn Bhd	Dormant	Malaysia	50.21	-
Bandar Baru Klang Specialist Hospital Sdn Bhd (Formerly known as Ipoh Radiotheraphy Sdn Bhd)	Dormant	Malaysia	50.21	49.58
Sterile Services Sdn Bhd (Formerly known as Nat Trekker (M) Sdn Bhd)	Dormant	Malaysia	32.64	-
COMPANIES IN WINDING UP PROCESS				
PharmaCARE (B) Sdn Bhd	Distributor and marketing of pharmaceutical products	Brunei	-	30.22
C PROPERTY DEVELOPMENT				
ACTIVE COMPANIES				
Johor Land Berhad	Property developer	Malaysia	98.80	48.51
Damansara Realty Berhad #	Investment holding	Malaysia	31.78	31.74
Advance Development Sdn Bhd	Property developer	Malaysia	98.80	48.51
Revertex (Malaysia) Sdn Bhd	Processing of rubber and chemical product	Malaysia	29.71	14.59
Dhealthcare Centre Sdn Bhd	Healthcare service provider	Malaysia	65.21	-

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS (CONTINUED)				
D TIMBER/INTRAPRENEUR VENTURE				
ACTIVE COMPANIES				
Sindora Berhad #	Investment holding, operations of oil palm plantations, palm oil milling and rubber estates	Malaysia	40.47	41.59
Sindora Timber Sdn Bhd	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	Malaysia	36.42	37.43
EA Technique (M) Sdn Bhd	Provision of sea transportation and related services	Malaysia	20.64	21.21
Willis (Malaysia) Sdn Bhd	Insurance broker	Malaysia	-	31.64
MM Vitaoils Sdn Bhd	Producer and wholesale of palm oil and other edible oil and fats	Malaysia	14.16	14.56
Amanahraya-JMF Asset Management Sdn Bhd	Fund management	Malaysia	-	8.32
Amanahraya-JMF Capital Sdn Bhd	Consultant, advisory and manager in relation to financial investment	Malaysia	-	8.32
Amanahraya-JMF Nominees (Tempatan) Sdn Bhd	Nominee company	Malaysia	-	8.32
Pro Office Solutions Sdn Bhd	Bulk mailing services	Malaysia	40.35	41.19
Metro Parking (M) Sdn Bhd	Parking Operations and the provision of related consultancy services	Malaysia	45.35	46.19
Metro Equipment Systems (M) Sdn Bhd	Trading of parking and other related equipments	Malaysia	41.42	42.19
Metro Parking (B) Sdn Bhd	Parking operator and other transport related services	Brunei	34.01	34.64
Metro Parking (S) Pte Ltd	Parking operator and consultancy services	Singapore	31.75	32.33
Metro Parking (Sabah) Sdn Bhd	Parking operator and other transport related services	Malaysia	45.35	46.19
Metro Parking Management (Philippines) Inc.	Parking operator and other transport related services	Philippines	34.01	46.19
PT Metro Penata Sarana	Parking operator,consultancy services and transport related services	Indonesia	45.35	46.19
Epasa Shipping Agency Sdn Bhd	Shipping and forwarding agent services	Malaysia	45.35	31.19
Smart Parking Management Sdn Bhd	Trading of parking and other related equipments	Malaysia	31.75	32.33

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
I CORE BUSINESS (CONTINUED)				
D TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES				
Sindora Wood Products Sdn Bhd	Property letting	Malaysia	40.47	41.59
Granulab (M) Sdn Bhd	Trading granular synthetic bone graft	Malaysia	36.42	37.43
Metro Parking (HK) Ltd	Parking operator and other transport related services	Hong Kong	45.35	46.19
Johor Shipyard and Engineering Sdn Bhd	Shipbuilding, fabrication of steel structures, engineering services and consultancy	Malaysia	20.64	21.21
Metro Parking Services (India) Private Limited	Parking operator and consultancy services	India	45.35	46.19
Orkim Sdn Bhd	Investment Holding	Malaysia	11.81	-
Orkim Discovery Sdn Bhd	Vessel Owning	Malaysia	4.72	-
Orkim Marine Sdn Bhd	Vessel Owning	Malaysia	11.81	-
Orkim Reliance Sdn Bhd	Vessel Owning	Malaysia	4.72	-
Orkim Ship Management Sdn Bhd	Vessel Owning	Malaysia	11.81	-
Orkim Energy Sdn Bhd	Vessel Owning	Malaysia	11.81	-
Orkim Challenger Sdn Bhd	Vessel Owning	Malaysia	4.72	-
Orkim Express Sdn Bhd	Vessel Owning	Malaysia	7.09	-
Orkim Merit Sdn Bhd	Vessel Owning	Malaysia	7.09	-
Orkim Leader Sdn Bhd	Vessel Owning	Malaysia	7.09	-
Delmar Marine Ventures Sdn Bhd	Vessel Owning	Malaysia	10.63	-
Orkim Power Sdn Bhd	Vessel Owning	Malaysia	7.09	-
DORMANT COMPANIES				
Sindora Trading Sdn Bhd	Dormant	Malaysia	40.47	41.59
Amanahraya-JMF Margin Sdn Bhd	Not active	Malaysia	-	8.32
Sindora Timber Products Sdn Bhd	Dormant	Malaysia	40.47	41.59
Sindora Development Sdn Bhd	Dormant	Malaysia	40.47	41.59
II INTRAPRENEUR				
A SME				
ACTIVE COMPANIES				
JTP Trading Sdn Bhd	Trading of tropical fruits	Malaysia	51.98	39.92
Excellent Relation Sdn Bhd	Provide IT and other related services	Malaysia	90.00	90.00

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Pro-Office Shoppe Sdn Bhd ^	Photocopy, printing & courier service	Malaysia	95.00	95.00
Pro Communication Services Sdn Bhd	Billboard and multimedia advertisement	Malaysia	75.00	75.00
IPPJ Sdn Bhd	Entrepreneurial training programmes and seminars	Malaysia	95.00	95.00
HC Duraclean Sdn Bhd	Franchisor of cleaning services	Malaysia	86.97	86.97
Rajaudang Aquaculture Sdn Bhd	Management services and breeding of tiger prawns	Malaysia	75.00	75.00
Great Allied Engineering Sdn Bhd	Autoblasting & painting	Malaysia	89.00	89.00
Fabricare Laundry Sdn Bhd (Formerly known as Tulus Ikhtiar Sdn Bhd)	Laundry services	Malaysia	45.19	45.33
Johor Skills Development Centre Sdn Bhd	Industrial training centre	Malaysia	75.00	75.00
Edaran Badang Sdn Bhd	Agricultural machinery assembler and distributor	Malaysia	38.99	47.90
TMR Urusharta (M) Sdn Bhd	Facilities management	Malaysia	96.80	53.20
Teraju Fokus Sdn Bhd	Security services	Malaysia	30.00	87.14
Aquapreneur Sdn Bhd	Breeding of tiger prawns	Malaysia	48.00	39.28
Healthcare Technical Services Sdn Bhd	Project management and engineering maintenance services	Malaysia	37.31	37.33
Teraju Farma Sdn Bhd	Supplier of pharmaceutical products	Malaysia	37.66	44.42
Sovereign Multimedia Resources Sdn Bhd	Trading of computer hardware and software	Malaysia	75.00	75.00
Effective Corporate Resources Sdn Bhd	Advisors and consultants in company management, administration and finance	Malaysia	93.00	93.00
JKiNG Sdn Bhd ^	Producer of sports attire	Malaysia	94.00	95.00
Maruah Emas Sdn Bhd	Islamic pawnshop	Malaysia	92.59	92.59
Renown Value Sdn Bhd	Business in cultivation of agricultural produce	Malaysia	46.78	47.90
Kulim Civilworks Sdn Bhd	Facilities management	Malaysia	38.99	47.90
SIM Manufacturing Sdn Bhd	Manufacturers and dealers in rubber products of all kinds and articles made from rubber	Malaysia	46.78	47.90
General Access Sdn Bhd	Field clearing, earthwork, road construction and resurfacing	Malaysia	32.78	33.69
Pro Biz Solution Sdn Bhd	Business centre	Malaysia	85.00	85.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Cita Tani Sdn Bhd	Cultivation of Sugar Cane and other agriculture produce	Malaysia	46.78	53.22
Kulim Livestock Sdn Bhd	Breeding and sales of cattle	Malaysia	46.78	53.22
Kulim Nursery Sdn Bhd	Oil Palm nursery and other related services	Malaysia	46.78	-
JTP Montel Sdn Bhd	Cultivation of bananas	Malaysia	46.78	-
Superior Habour Sdn Bhd	Aquaculture Operations for food consumption	Malaysia	46.78	-
Special Apperance Sdn Bhd	Film and drama production house, event management and other related services	Malaysia	46.78	-
Agrotech Farm Solutions Sdn Bhd ^ (Formerly known as Goat Farm Solutions Sdn Bhd)	Broiler farm	Malaysia	96.25	96.25
Pro Corporate Management Services Sdn Bhd	Corporate secretarial services and share registrar	Malaysia	100.00	100.00
B NON SME				
ACTIVE COMPANIES				
Kumpulan Penambang (Johor) Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Johor Foods Sdn Bhd	Investment holding and oil palm plantation	Malaysia	100.00	100.00
Johor Franchise Development Sdn Bhd	Investment holding company	Malaysia	100.00	100.00
Johor Capital Holdings Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Johor Ventures Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Pelaburan Johor Berhad	Management of Unit Trust	Malaysia	100.00	100.00
SPMB Holdings Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Syarikat Pengangkutan Maju Bhd	Investment holding and bus services	Malaysia	97.63	97.63
Penawar Express Line Berhad	Express bus services	Malaysia	97.63	97.63
TPM Technopark Sdn Bhd	Industrial land development	Malaysia	100.00	100.00
Total Project Management Sdn Bhd	Property management	Malaysia	100.00	100.00
Larkin Sentral Sdn Bhd ^	Property contractor and developer	Malaysia	100.00	100.00
Larkin Sentral Management Sdn Bhd	Property management	Malaysia	100.00	100.00
Damansara Assets Sdn Bhd	Property management	Malaysia	100.00	100.00
Tanjung Langsat Port Sdn Bhd	Development of industrial land and provider of port services	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Group Effective Interest Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
B NON SME				
ACTIVE COMPANIES				
Puteri Hotels Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Hotel Selesa (JB) Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Hotel Selesa Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Sibu Island Resorts Sdn Bhd	Island resorts operator	Malaysia	100.00	100.00
Langsat Bulkers Sdn Bhd	Biodiesel terminal	Malaysia	60.00	60.00
PT Padang Industrial Park	Industrial land development	Indonesia	55.00	55.00
Tenaga Utama (Johor) Bhd	Investment holding	Malaysia	69.76	69.76
The World of Secret Garden Sdn Bhd ^	Personal care products	Malaysia	100.00	100.00
Yakin Tea Sdn Bhd ^	Rental of plantation	Malaysia	62.24	62.24
Dusun Damai Sdn Bhd	Marketing and managing orchards	Malaysia	100.00	100.00
Johor Silica Industries Sdn Bhd	Silica sand quarrying	Malaysia	100.00	100.00
Permodalan Teras Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Rajaudang Sdn Bhd	Investment holding and rental of ponds for breeding of tiger prawns	Malaysia	100.00	100.00
Pro-Office Services Sdn Bhd	Renting of machinery and building	Malaysia	100.00	100.00
Exquisite Livestock Sdn Bhd ^ (Formerly known as Exquisite Assets Sdn Bhd)	Commercial cattle farming	Malaysia	95.00	100.00
Rajaudang Trading Sdn Bhd	Wholesale activities	Malaysia	71.25	71.25
Tg. Langsat Development Sdn Bhd	Industrial land development	Malaysia	100.00	100.00
Perkasa Mechanical & Engineering Sdn Bhd	Workshop for heavy machineries	Malaysia	-	100.00
Sri Gading Land Sdn Bhd	Industrial land development	Malaysia	51.00	51.00
Techno SCP Sdn Bhd	Industrial land development	Malaysia	60.00	60.00
Kumpulan Perbadanan Johor Sdn Bhd	Management services	Malaysia	100.00	100.00
M-Perkasa Services Sdn Bhd ^	Management & workshop services	Malaysia	-	100.00
Sindora Ventures Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Makmuran Veneer & Plywood Sdn Bhd	Trading of sawn timber and logs	Malaysia	100.00	100.00
Damansara REIT Managers Sdn Bhd	REITs management company	Malaysia	100.00	100.00
Intrapreneur Development Capital Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Bukit Damansara Development Sdn Bhd (Formerly known as Agenda Sarjana Sdn Bhd)	Investment holding, ownership of buildings	Malaysia	100.00	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
B NON SME				
ACTIVE COMPANIES				
Bertam Properties Sdn Bhd	Estate management	Malaysia	20.00	20.00
Union Industries Sdn Bhd	Manufacturing of window frame and wheel barrow	Malaysia	23.09	23.09
MC-JTP Concept Sdn Bhd	Rental and warehouse owner	Malaysia	100.00	100.00
Panca Pesona Sdn Bhd	Industrial land and property developer	Malaysia	40.00	40.00
M.N. Koll (M) Sdn Bhd	Commercial cleaning and landscape	Malaysia	87.30	53.20
TMR ACMV Services Sdn Bhd	Maintenance of commercial air-conditioning and mechanical and ventilation services	Malaysia	96.80	53.20
East Johor Marine Farms Sdn Bhd	Rental of ponds for tiger prawns breeding	Malaysia	100.00	65.59
Johor Logistics Sdn Bhd	Warehousing	Malaysia	100.00	100.00
Asia Logistic Council Sdn Bhd	GHELS & GCEL systems for Asia Pacific Region	Malaysia	100.00	100.00
Amazing Cuisine Sdn Bhd	Cold-cuts and sausages production	Malaysia	100.00	100.00
Ventures Poultry Farm Sdn Bhd	Poultry broiler farm	Malaysia	90.00	100.00
Synergy Poultry Farming Sdn Bhd	Poultry broiler farm	Malaysia	85.00	100.00
Southern Poultry Farming Sdn Bhd	Poultry broiler farm	Malaysia	90.00	100.00
JCIA Services Sdn Bhd (Formerly known as Johor Industrial Gas Sdn Bhd)	Assurance services consulting services	Malaysia	100.00	100.00
Convenue Marketing Sdn Bhd	Marketing of convention centre	Malaysia	95.00	95.00
Bistari Young Entrepreneur Sdn Bhd ^ (Formerly known as Damansara-Harta Management Sdn Bhd)	Producing, promoting and marketing Catur Bistari and services related to Bistari entrepreneurs programmes	Malaysia	90.00	100.00
TPM Management Sdn Bhd	Provision of technical services	Malaysia	39.00	39.00
Al-Aqar Capital Sdn Bhd	Raising Islamic Financing for Al-'Aqar KPJ Reit	Malaysia	100.00	100.00
DORMANT COMPANIES				
Palley Investments Limited	Investment holding	British Virgin Island	100.00	100.00
Warren Plantation (Mt.Hagen) Limited ^	Dormant	Papua New Guinea	100.00	100.00
Marenban Limited	Dormant	Papua New Guinea	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Group Effective Interest Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
B NON SME				
DORMANT COMPANIES				
PT PJB Pacific Capital	Trust account *	Indonesia	-	100.00
Pasir Gudang Container Terminal Sdn Bhd	Dormant	Malaysia	97.63	78.10
Technical Edge Sdn Bhd	Trading of motor vehicle spare parts	Malaysia	74.00	74.00
Sungai Gadut Quarry Sdn Bhd	Dormant	Malaysia	100.00	100.00
Pagoh Highlands Resort Sdn Bhd	Dormant	Malaysia	60.00	60.00
Bandar Baru Majidee Development Sdn Bhd	Property developer	Malaysia	100.00	100.00
Vibrant Hectares Sdn Bhd	Processing of palm oil kernel	Malaysia	100.00	100.00
Mengkibol Holdings Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Johor Land (H) Sdn Bhd	Holding company	Malaysia	100.00	100.00
Johor Land Constructions Sdn Bhd	Dormant	Malaysia	100.00	100.00
D.I.M.A. Sdn Bhd	Logging transportation services	Malaysia	100.00	100.00
Kiras Sdn Bhd	Timber operation	Malaysia	100.00	100.00
Mahin Sdn Bhd	Processing of sawn timber	Malaysia	100.00	100.00
Johor City Development Sdn Bhd ^	New township development	Malaysia	100.00	100.00
JSEDC Properties Sdn Bhd	Investment holding	Malaysia	100.00	100.00
T.T. Nusa Sdn Bhd	Holding company	Malaysia	100.00	100.00
PT Panca Cemerlang Utama	Dormant	Indonesia	100.00	70.00
PT Rely Panca Perdana	Dormant	Indonesia	90.00	90.00
Vision Possible Berhad	Dormant	Malaysia	100.00	100.00
PT Titi Nusa Cemerlang	Consultant and business development	Indonesia	100.00	100.00
DPIM Consult Sdn Bhd	Management consultant	Malaysia	100.00	100.00
Johor Paper & Publishing Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
East Asian Marine Foods Sdn Bhd	Processing and marketing of seafood	Malaysia	100.00	100.00
* Ceased operations and intended to be liquidated				
Johor Tropical Products Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Malaysia Pharmacy (Retail) Sdn Bhd ^	Distributor and marketing of pharmaceutical products	Malaysia	100.00	100.00
Johor Heavy Industries Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Johor Concrete Products Sdn Bhd	Trading in construction material	Malaysia	51.00	51.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
B NON SME				
DORMANT COMPANIES				
Persada Antarabangsa (Johor) Sdn Bhd	Convention centre management	Malaysia	100.00	100.00
Aquabuilt Sdn Bhd	Rental of tiger prawns hatchery	Malaysia	100.00	100.00
TMR Koll Sdn Bhd	Provide engineering consultancy services	Malaysia	97.00	53.20
PJB Capital Sdn Bhd ^	Portfolio management	Malaysia	100.00	100.00
LY Technologies (M) Sdn Bhd	Distributor of bus and body-parts	Malaysia	51.00	51.00
Harta Consult Sendirian Berhad	Property management	Malaysia	100.00	100.00
Johor Hotels International Sdn Bhd	Holding company	Malaysia	100.00	100.00
Asia Pacific Food Traders Sdn Bhd	Imports & exports of wholesale meat and related products	Malaysia	51.00	51.00
Johor Deer Farm Sdn Bhd	Deer farming	Malaysia	100.00	100.00
Harta Facilities Management Sdn Bhd	Facilities management	Malaysia	97.00	53.20
Meatpackers Sdn Bhd	Marketing of meat products	Malaysia	99.00	99.00
Saujana Jaya Sdn Bhd	Coconut milk processing	Malaysia	100.00	100.00
Tajasukan Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Jejak Juara Sdn Bhd ^	Photography services	Malaysia	100.00	100.00
Tiram Air Sdn Bhd	Chartered aircraft services	Malaysia	70.00	70.00
Sports Communications Sdn Bhd	Promotion of motor sports	Malaysia	50.00	50.00
Westbury Tubular (M) Sdn Bhd ^	Building and construction work using tubular steel	Malaysia	41.69	41.69
Tiram Tours (S) Pte Ltd	Dormant	Singapore	100.00	100.00
Orion Tours Pte Ltd	Dormant	Singapore	100.00	100.00
Tropika Landskap Sdn Bhd	Property developer	Malaysia	100.00	100.00
Trilink Multiple Sdn Bhd	Marine Engineering Services	Malaysia	60.00	-
Johorcraft Sdn Bhd	Ceramic production and handicraft marketing	Malaysia	100.00	100.00
Amiza Publishing Sdn Bhd ^	Book publishing and distributor	Malaysia	96.15	96.15
Rely-On-Us (M) Sdn Bhd	Franchisor of business centre operations	Malaysia	100.00	100.00
Sergam Berhad ^	Trading of steel bars and building materials	Malaysia	96.78	96.78
STPA Trading Sdn Bhd ^	Distribution of steel bars and building materials	Malaysia	96.78	96.78
Quality Heights Sdn Bhd ^	Distributor and marketing of pharmaceutical products	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Group Effective Interest Dec 2008 %
II INTRAPRENEUR (CONTINUED)				
B NON SME				
DORMANT COMPANIES				
Paper Automation Sdn Bhd	Trading in paper products	Malaysia	93.57	93.57
Johor Toys Sdn Bhd	Dormant	Malaysia	86.24	86.24
Kilang Airbatu Perintis Sdn Bhd	Rental of land and coldroom services	Malaysia	88.22	88.22
Johor Tea Sdn Bhd	Tea plantation	Malaysia	100.00	100.00
PharmaCare Medicine Shoppe Sdn Bhd ^	Pharmacy franchise	Malaysia	100.00	100.00
Jedcon Engineering Survey Sdn Bhd	Land survey services	Malaysia	51.00	51.00
Trapezoid Web Profile Sdn Bhd ^	Provision of project management & consultancy services and manufacture of steel products	Malaysia	81.74	81.74
Meatpackers (A) Pty Ltd	Marketing of meat products	Australia	40.00	40.00
COMPANIES IN WINDING UP PROCESS				
Johor Aluminium Processing Sdn Bhd	Aluminium products	Malaysia	35.00	35.00
Buat Niaga Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Asia Pacific Seafoods Pte Ltd	Marketing of seafood products	Singapore	100.00	100.00
PT Panca Perdana Cemerlang	Dormant	Indonesia	100.00	100.00
Australian Gold Field NL	Dormant	Australia	27.73	27.73
Victoria Gold Mines	Dormant	Australia	27.73	27.73
COMPANY IN THE PROCESS OF STRIKING OFF				
Pharmacare (S) Pte Ltd	Pharmaceutical dealer and outlets	Singapore	100.00	100.00
COMPANY UNDER RECEIVERSHIP				
Kok Lian Marketing Sdn Bhd	Book publisher	Malaysia	51.19	51.19

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2009 %	Dec 2008 %
III LIST OF NON-GOVERNMENT ORGANISATIONS				
Incorporated under Companies Act, 1965, managed by Johor Corporation				
Bistari Johor Berhad	Entrepreneurship club	Malaysia	@	@
Yayasan Johor Corporation	Manage and administer funds for education and charitable purposes	Malaysia	@	@
Waqaf An-Nur Corporation Berhad	Trustees and manager of waqaf	Malaysia	@	@
TPM Management Sdn Bhd	Property management	Malaysia	39.00	39.00
Capaian Aspirasi Sdn Bhd	Islamic Insurance agent and Amil Corporate Zakat	Malaysia	*	*
Tiram Travel Sdn Bhd	Sale of flight tickets and package for umrah, hajj and tourism	Malaysia	*	*
JCorp Intrapreneur (M) Bhd	Intrapreneurship club	Malaysia	@	@
Khairat Keluarga Perbadanan Johor Berhad	Employees deceased scheme	Malaysia	@	@
DORMANT COMPANIES				
Waqaf An-Nur Berhad	Dormant	Malaysia	@	@

Notes:-

- # Listed on the Main Board of Bursa Malaysia Securities Berhad
- @ Limited by Guarantee
- ^ Emphasis of Matter on Going Concern Basis on Preparation of Financial Statements
- ! Qualified Opinion - Going Concern
- * Subsidiaries of Waqaf An-Nur Corporation Berhad

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