JOHOR CORPORATION

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JOHOR CORPORATION Annual Report 2010

Membina dan Membela

JOHOR CORPORATION

Annual Report 2010

Membina dan Membela

VISION

"MEMBINA DAN MEMBELA"

MISSION

- A state investment corporation contributing to state and national economic growth through an efficient and effective business entity while upholding the community interest.
- Upholding position as a business entity that spearheads and controls market, competitive, profit-motivated and recognized.
- A catalyst to sustainable business growth which will further create success in fulfilling its obligation as a state investment corporation.
- Contributing and adding values to the well-being of the community through business success as well as Corporate Social Responsibility undertakings.

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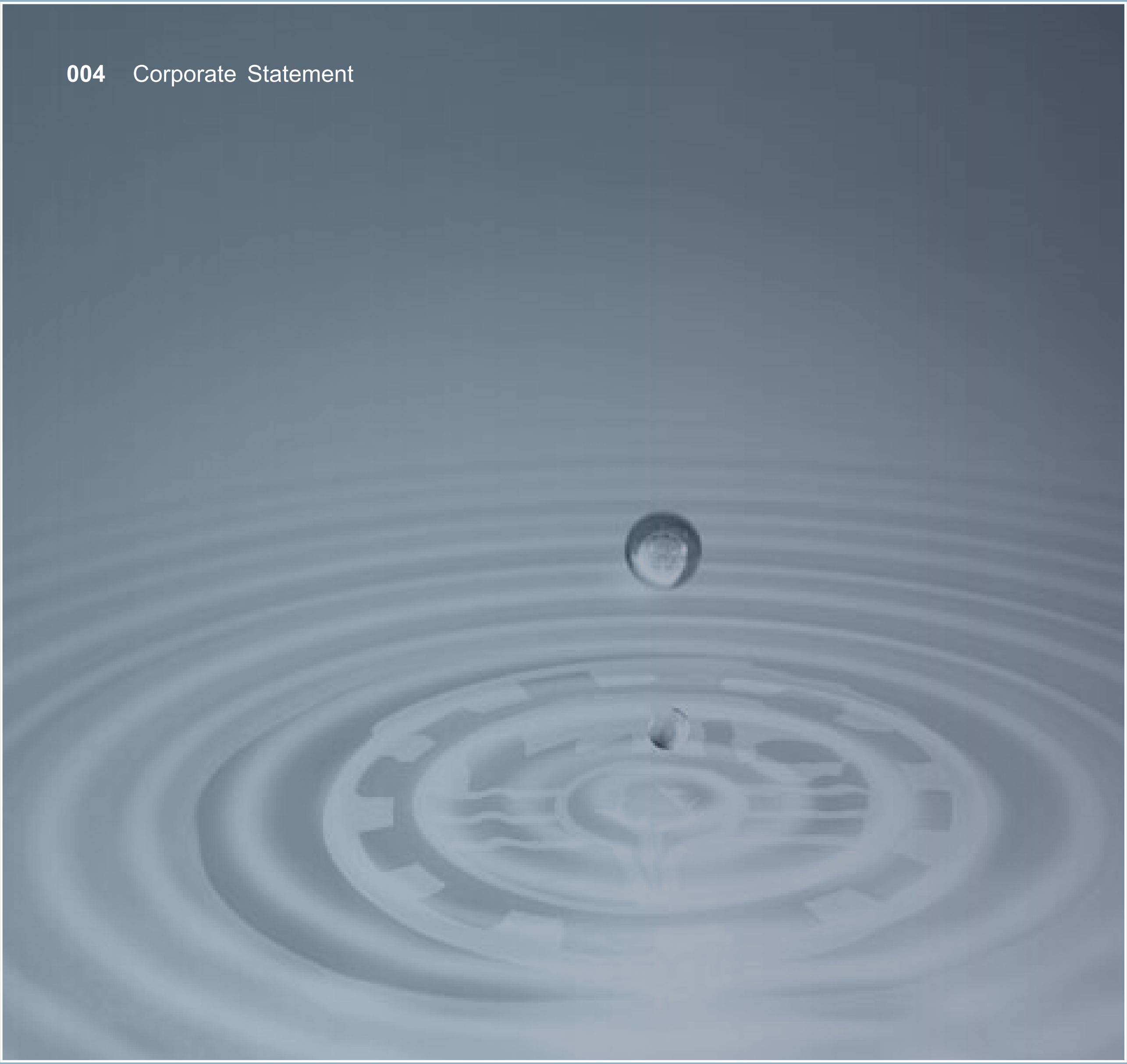
"JCorp group pre-tax hits
record RM962 m"
Business Times, NST
20 April 2011

SECTION 1

CORPORATE STATEMENT



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

YBHG TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
President & Chief Executive Johor Corporation

CORPORATE STATEMENT

BEST RESULT EVER

THE RELATIVELY FAVOURABLE ECONOMIC BACKDROP AND A SURGE IN THE PRICE OF PALM OIL IN 2010 HELPED PROPEL JCORP TO ITS BEST EVER PERFORMANCE SINCE ITS FOUNDING 40 YEARS AGO. THE GROUP PERFORMANCES WERE ALSO RECOGNISED THROUGH LOCAL AND INTERNATIONAL AWARDS PRESENTED DURING THE PERIOD.

Continuing a winning streak, for the third time, JCorp was awarded with a 4-star, the highest rating in Financial Management Accountability Index by National Audit Department. In addition to that, JCorp bags 2 Association of Development Financing Institutions in Asia & the Pacific (ADFIAP) awards, Kulim (Malaysia) Berhad received the Malaysia Sustainability Reporting Award (MaSRA), KPJ Healthcare Berhad's Managing Director won the Asia Leading Women CEO of The Year and 3 BrandLaureate 2010-2011 awards to JCorp's Foods and Quick Service Restaurants division.

JCorp is a market-driven state investment corporation incorporated under Johor State Enactment No. 4, 1968. It is one of Malaysia's leading business conglomerates, comprising more than 280 member companies and employing more than 65,000 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, New Britain Palm Oil Ltd, 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 Oil, Foods and Quick Service Restaurants, Healthcare, Property, Intrapreneur Ventures and Logistics. Turnover at these companies stood at RM7.5 billion for the year ended 31 December 2010.

ECONOMIC REVIEW

The past year has been one of recovery and readjustment. The global economy grew by 3.9% in 2010. The strong recovery seen in the emerging markets has contrasted with a weaker one across the developed world, accelerating a long-term shift in economic power from west to east and from north to south. Governments, central banks and regulators worldwide looked for ways to stimulate and support their domestic economies.

Asian economies recorded some of their best performances in 2010. In particular, Southeast Asian nations witnessed a resounding year, clocking their best performance in recent memory though growth in the final months of the year began to taper off. While most of the advanced countries are yet to fully recover from the financial crisis of 2008, emerging markets especially China and India are showing a high rate of economic expansion and growing demand.

The effective measures implemented by Malaysia to manage the economic crisis have boosted the country, now well on the path to rapid and sustained recovery. The Malaysian economy registered growth of 7.2% in 2010 in a sharp recovery from the 2009 recession. JCorp heeded the call to action in the Malaysian Government's Economic Transformation Programme (ETP) by supporting projects in the targeted oil & gas, palm oil, healthcare and hospitality sectors, where we have investments.

TURNOVER AT THESE COMPANIES STOOD AT **RM7.5 BILLION** FOR THE YEAR ENDED 31 DECEMBER 2010

CORPORATE STATEMENT
CONTINUED

CORPORATE DEVELOPMENTS

Kamaruzzaman bin Abu Kassim had been appointed the third President & Chief Executive of JCorp effective 1 December 2010. The post was held by Tan Sri Muhammad Ali Hashim for 28 years (1982 – 2010) and Tan Sri Basir Ismail for 12 years (1970 – 1982). With his 18 years of reputable experience and knowledge within the Group, Kamaruzzaman will continue to uplift the core values of JCorp while diversifying business to encounter the up and coming challenges awaiting the Corporation to continue leading the way.

The Board of Directors would like to express our "Menjunjung Kasih" to His Royal Highness Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan and The Sovereign Ruler of the State and Territories of Johor Darul Ta'zim upon the consent for the appointment of JCorp's third President & Chief Executive. The Board of Directors has acclaimed its commitment towards enhancing the cooperation with the Royalties, the State Government as well as the Federal Government.

The Board welcomes Dato' Paduka Ismee bin Ismail and YB Haji Obet bin Tawil, Johor State Secretary as members of the Board effective 1 November 2010 and 11 March 2011 respectively.

INTERNATIONAL BUSINESS SEGMENT

While the Group's business segments are managed on a worldwide basis, they operate in two main geographical areas: in Malaysia, mainly in Plantations, Foods & Quick Service Restaurants, Healthcare, Property, Intrapreneur Ventures and other investments, and; in Papua New Guinea and the Solomon Islands, principally in Palm Oil and processing agricultural produce. Group revenue distribution by geography is dominated by Malaysia (75%), Europe (13%), and the remainder spread throughout Asia, Papua New Guinea and other countries. Continuing the process started earlier, initiatives have been adopted group-wide to propel the Group forward towards global excellence. In this respect, every division and operating unit within the Group has set in motion plans to improve its performance.

"MEMBINA DAN MEMBELA"

We are building on 40 years of exponential growth since incorporation by evaluating and strengthening JCorp's policies. The Corporation upholds its "Membina dan Membela" philosophy by developing charismatic entrepreneurs.

JCorp selects and grooms young people with business potential in Malaysia through organising the Didik BISTARI, Tunas BISTARI and Siswa BISTARI programs. By placing the development of Intrapreneurs centre stage as one of the core developmental activities, the Group helps to create and inspire more entrepreneurs as components of Bumiputera Commercial and Industrial Community (MPPB) and ultimately, strengthen their socio-economy status.

ECONOMIC TRANSFORMATION PROGRAMME

At the start of the year came the announcement of the Government's transformation plans to propel the country towards becoming a high-income developed nation by 2020. The Government Transformation Programme (GTP) was announced in January 2010, followed by the New Economic Model (NEM) in March 2010 and the Economic Transformation Programme (ETP) in September 2010. The ETP names 12 National Key Economic Areas (NKEA), as important drivers for economic change in Malaysia to enhance the country's competitive standing and resilience.

During the year, close evaluation and support was given to the Malaysian Government's plans for the ETP. We have identified areas where we can participate. In the Oil and Gas sector, we see our involvement in the Tanjung Langsat Port, Storage and Trading hub. In the Property sphere, our interest will be in the plans for the Johor Bahru Central Business District redevelopment. In the Palm Oil industry, we are working on re-planting schedules, the Fresh Fruit Bunches (FFB) yield improvement program, lifting productivity, and an increase in Crude Palm Oil (CPO) production apart from sizeable pineapple and banana plantations. Explorative works are being conducted in bio-gas and bio-fuel. In the Tourism & Hospitality sector, we will register our interest to participate towards improving Iskandar Malaysia tourist receipt and quality of hospitality offered by leveraging our hospitality and healthcare divisions.

JCORP'S TRIPARTITE ROLE

JCorp's *raison d'etre* is best described by the 3 main roles it plays. Firstly, the Corporation is a performance driven state investment corporation, competitive business entity, intent on increasing revenue, profit, and the return on investment, focused on specific business sectors. Secondly, in accordance with the enactment of incorporation, JCorp is a catalyst for Malaysia's economic development, encouraging Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) to Johor State through new ventures including ETP projects. The Group creates a conducive environment in which to nurture entrepreneurs and expand those businesses and investments identified for development. Thirdly, JCorp combines business with a benevolent CSR role, exercised through its Volunteer Organisation Team, gathering funds and disbursing multi-fold contributions to a wide spectrum of deserving CSR causes.

2010 PERFORMANCE

JCorp achieved a very creditable financial performance for the year under review. Group profit before tax jumped 37.4% to RM962 million for the financial year ended 31 December 2010 from RM700 million in the previous year. The figure was the highest achieved since the Corporation's establishment 40 years ago. Sales rose 6.1% to RM7.5 billion from RM7.1 billion in the previous year.

CORPORATE STATEMENT
CONTINUED

GROUP PROFIT BEFORE TAX AND ZAKAT JUMPED 37.4% TO RM962 MILLION

The rise in profit at Group level was due to contributions by excellent performances at subsidiaries, with the major contribution coming from Kulim (M) Bhd (Kulim). The rise in CPO towards the end of 2010 and increased operational efficiencies helped to bring in good profits from the plantation segment's estates in Malaysia, Papua New Guinea and the Solomon Islands. The performance of QSR Brands Bhd, including KFC Holdings (M) Bhd, also improved, enhancing their contribution to Kulim.

At corporation level, profit before tax rose by 18% to RM118 million compared with RM100 million the previous year while sales declined by 22.4% to RM388 million compared with RM500 million in 2009. The decline in sales at company level was due to a major transaction in 2009 involving the lease of industrial land to a Europe-based company.

CORPORATE GOVERNANCE

The Board of Directors of JCorp remains committed to ensuring that the highest standard of corporate governance - the set of processes, customs, policies, laws and institutions affecting the way the enterprise is directed, administered and controlled for our stakeholders - is maintained throughout the Corporation and its subsidiaries. Hence, the Board is fully dedicated to continuously evaluating the Groups' corporate governance practices and procedures with a view to ensure the principles and best practices in corporate governance as promulgated by the Malaysian Code on Corporate Governance are applied and adhered to in the best interests of stakeholders. Our principal stakeholders are the stockholders, management and the board of directors and other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, and the community at large. The Board operates a sound system of internal control and has recognised that the governance system must continuously evolve to support the Groups' operations and business environment.

CORPORATE RESTRUCTURING PLAN

An early initiative has been taken towards repayment and re-financing of debt maturing in 2012. JCorp's commitment and capabilities were laid out in its Corporate Restructuring Master Plan (CRMP) 2002 developed after thorough analysis on JCorp's businesses and industries. This includes debt restructuring and fund raising from liquidations of high valued non-strategic assets for loan repayment by 31 July 2012.

The exercise will be done by taking into account the Group's mission and vision without pulling aside the minority interests and the original end of JCorp's establishment. The Board of Directors is positive that JCorp is ought to undertake the CRMP completely on or before the due date.

The incentive would enable JCorp to contribute to the State Government continuously upon achieving surpluses from the Group's businesses.

CORPORATE SOCIAL RESPONSIBILITY

In the effort to serve the community, JCorp realise its goal through its Corporate Social Responsibility (CSR) programme undertaken by JCorp Volunteer Organization Team through the creation of various Non-governmental Organizations (NGO) as well as charitable business organizations (OBA) with its own volunteer groups. Through the Team, JCorp does its part to safeguard those citizens who need help and support regardless of race and religion.

AWARDS AND RECOGNITIONS

ADFIAP 2011

Recognition by the Association of Development Financing Institutions in Asia & the Pacific (ADFIAP) of JCorp's development projects and initiatives has won us two ADFIAP 2011 Awards – Best Annual Report 2009 and Winner of the Corporate Social Responsibility Category which highlights 2 CSR activities - Waqaf Brigade and Waqaf An Nur Hospital & Waqaf An Nur Clinics. The annual ADFIAP Awards recognise and honour innovative projects that have created a development impact in their respective countries.

MASRA 2010

For the second time after 2009, Kulim (Malaysia) Berhad (Kulim) had the honour of receiving the Malaysia Sustainability Reporting Award (MaSRA) 2010 from the Association of Chartered Certified Accountants (ACCA). The award recognised Kulim's effort on its initiatives to continuously adopt and implement the criteria and principles of the Round Table on Sustainable Palm Oil (RSPO).

JCORP'S DEVELOPMENT PROJECTS AND INITIATIVES HAS WON US TWO ADFIAP 2011 AWARDS – BEST ANNUAL REPORT 2009 AND WINNER OF THE CORPORATE SOCIAL RESPONSIBILITY CATEGORY

CORPORATE STATEMENT
CONTINUED

BRANDLAUREATE 2010-2011

Outstanding products from JCorp's Foods and Quick Service Restaurants division won BrandLaureate 2010-2011 awards: KFC won for 'Best Brand in Food & Beverage – Fried Chicken', Pizza Hut for 'Best Brand in Food & Beverage – Pizza' and Ayamas for 'Best Brand in Food & Beverage – 'Chicken Based Product'. The winners of The BrandLaureate Awards are decided based on multi-point selection criteria consisting of brand strategy, brand culture, integrated brand communications, brand equity and brand performance.

ASIA LEADING WOMEN CEO OF THE YEAR

Asia's leading Women CEO of the Year, as part of the Women in Leadership (WIL) Asia Awards series, was awarded to Datin Paduka Siti Sa'diah Sheikh Bakir the Managing Director of KPJ Healthcare Berhad. The WIL Asia Awards recognise and reward influential Asian women leaders for their outstanding achievements and honour organisations for their initiatives in promoting the development and empowerment of women in society. The Women CEO of the Year award honours the most prominent female CEO, regardless of industry, judged on the basis of her achievements, active engagements over the year, career path, leadership and decision-making ability, strategic management skills, corporate philanthropy and other inspirational stories that have led to her company's growth.

ACCOUNTABILITY INDEX

JCorp added another feather to its cap when for the third year in a row the Corporation received a 4-Star rating, the highest rating, in the Accountability Index in Financial Management from the National Audit Department of Malaysia (NAD). The Accountability Index is an objective quantitative assessment of financial management compliance undertaken by NAD to enhance the accountability and integrity of public fund management in all Government ministries, departments and agencies at Federal and State levels. The Award recognises the Corporation's outstanding effort to improve its management, services and products to its customers particularly in the area of financial management.

These awards and recognition serve as a source of inspiration and encouragement for the Board of Directors and the management and staff of JCorp in their relentless efforts to mould the Corporation into the most efficient, profitable and respected conglomerate in the country.

JCORP'S 40 YEARS ANNIVERSARY

The year 2010 marks a new advent of maturity for the Corporation as JCorp celebrates its 40th Anniversary. JCorp which had its operation first incepted on 1st July 1970 began with RM10 million loans from the State Government of Johor. Since then, it has transformed into a diversified market-driven state investment corporation with 8 public listed companies (PLCs) worth over RM16 billion of total market capitalization. To commemorate its 40 years endeavour, JCorp organised weekly Yaasin and Tahlil reception as an expression of gratitude. This program is realized through a close cooperation with the State Religious Department and witnessed the participation of altogether 80 mosques in Johor sub-districts.

ACKNOWLEDGEMENT

We thank our second President & Chief Executive Tan Sri Dato' Muhammad Ali Hashim for his dynamic leadership and invaluable contribution over the years to the activities of the Corporation leading it to its present eminent stature. He assumed the position in 1982 from Tan Sri Basir Ismail and has led the Corporation for 28 eventful years with tenacity, business acumen and entrepreneurial spirit.

We would like to record our appreciation to Tan Sri Dato' Abdullah bin Ayub, Tan Sri Dato' Abdul Rahman bin Mamat and Dato' Haji Abd Latiff bin Yusof for their contributions during their tenure as directors of JCorp. Tan Sri Dato' Abdullah bin Ayub had been in the Board for almost 39 years since his appointment on 25 April 1972 whilst Tan Sri Dato' Abdul Rahman bin Mamat and Dato' Haji Latiff bin Yusof served as Board members since 1 October 2006 and 19 October 2006 respectively.

CORPORATE STATEMENT
CONTINUED

THESE AWARDS AND RECOGNITION SERVE AS A SOURCE OF INSPIRATION AND ENCOURAGEMENT FOR THE BOARD OF DIRECTORS AND THE MANAGEMENT AND STAFF OF JCORP IN THEIR RELENTLESS EFFORTS TO MOULD THE CORPORATION INTO THE MOST EFFICIENT, PROFITABLE AND RESPECTED CONGLOMERATE IN THE COUNTRY.

APPRECIATION

The Board continues to chart the strategic course and progress of the Group, and monitors the strict adherence to noble work ethics and compliance with the best practices of corporate governance. On behalf of the Board of Directors, we wish to express our sincere appreciation to the Management and staff of the Corporation for their dedication, commitment and loyalty during these challenging times. Their perseverance and loyalty will no doubt enable the Group to surmount all future problems and meet new challenges in the years ahead.

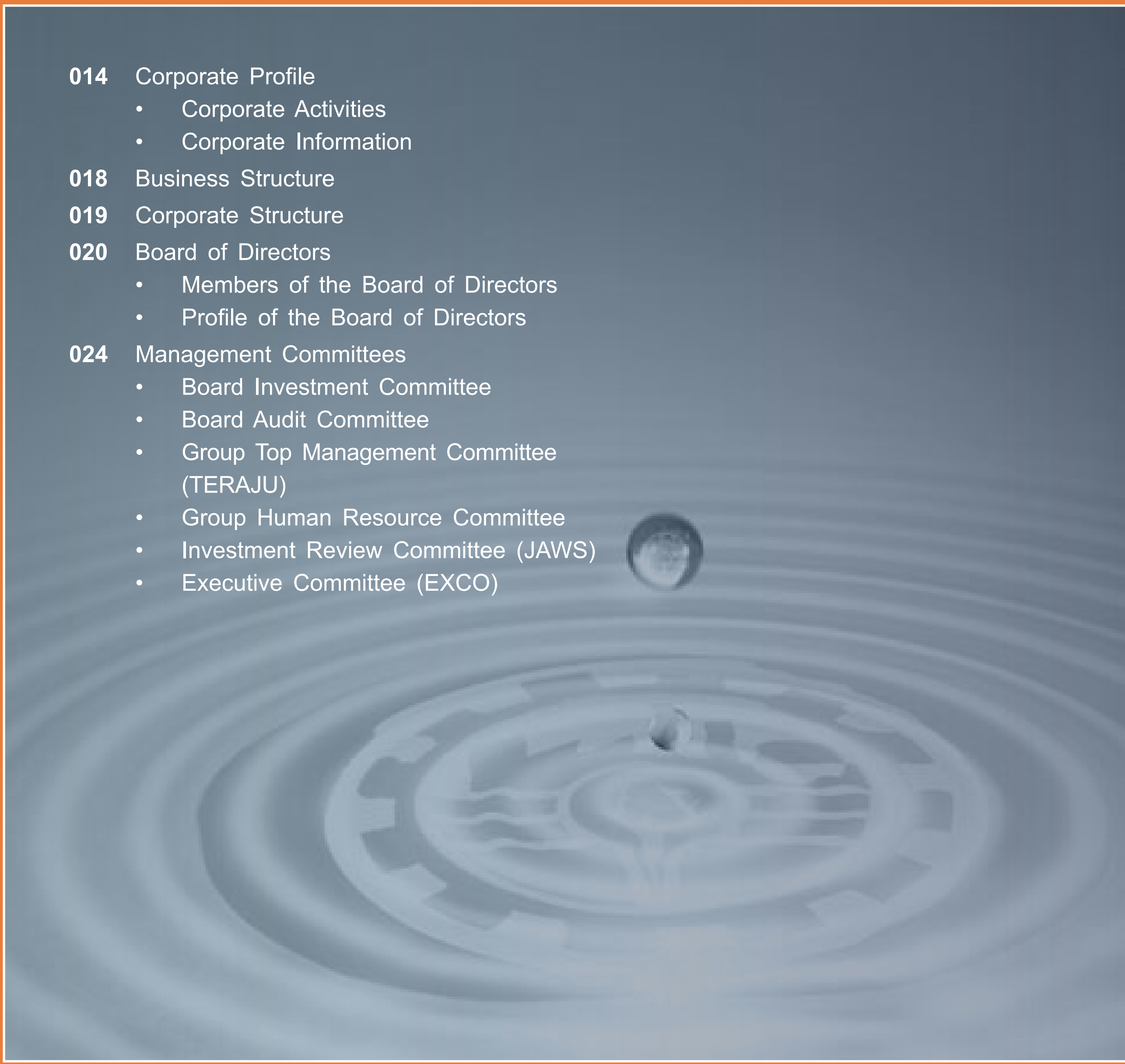
We remain grateful to those who had played their part in our success, namely the State of Johor and Federal Government Authorities, our bankers, financial advisors, our client and customers, strategic partners and investment institutions as well as all stakeholders at large. Events of the past year have demonstrated that JCorp will continue to innovate, evolve and grow as a business entity. A platform has been created to propel the Group into a new and exciting phase of growth. Guided by our vision and a well-defined road map to take us forward to a brighter future.

DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman
Johor Corporation

KAMARUZZAMAN BIN ABU KASSIM
President & Chief Executive
Johor Corporation

SECTION 2

ABOUT JOHOR CORPORATION



CORPORATE PROFILE

OVER THE 40 YEARS SINCE ITS INCORPORATION, JCORP AS A STATE INVESTMENT CORPORATION 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 ECONOMIC GROWTH AND DEVELOPMENT OF MALAYSIA IN GENERAL, AND JOHOR IN PARTICULAR.

As a state investment corporation, 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 in spite of extreme challenges, especially the financial and economic crisis of 1997.

As one of Malaysia's largest corporate organisations, JCorp Group continues to chalk up impressive results. In 2010, the JCorp Group's turnover has exceeded RM7.5 billion and profit before tax of RM962 million. The market capitalization value of its 8 listed in Bursa Malaysia, which are Kulim (Malaysia) Berhad (Kulim), KPJ Healthcare Berhad (KPJ), Sindora Berhad (Sindora), Damansara Realty Berhad (DBhd), QSR Brands Bhd (QSR), KFC Holding (Malaysia) Bhd (KFC), 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 towards end of 2010 accumulated to a total of RM16 billion.

JCorp's main goal as a state investment corporation 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 65,000 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, Specialist Healthcare Services, Food and Quick Service Restaurants, Commercial and Hospitality Property Development and Investment, Property and Logistic Services and Intrepreneur Venture.

JCorp has since become a national market leader in several of its core businesses, namely the Specialist Healthcare Services and Quick Service Restaurant. 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, Solomon Islands, Cambodia and India.

Through Kulim, JCorp over the past decade has been among the leaders in oil palm plantations industry with current total plantation area of 79,987 hectares in Papua New Guinea, 7,577 hectares in Solomon Islands and 37,450 hectares in Peninsular Malaysia.

Kulim's operation were not limited to poultry processing, retailing and contract farming services as well as ancillary businesses like feed mill operations, breeder farms, hatchery and sauce manufacturing only. The performance of its Food and Quick Service Restaurants Divisions spearheaded by QSR and KFC also improved, enhancing their contribution to Kulim. The company holds the KFC franchise for Malaysia, Singapore, Brunei, Cambodia and India with a total of 515 outlets in Malaysia, 9 in Brunei, 77 in Singapore, 10 in Cambodia and 7 in India.

KPJ, the healthcare arm of JCorp with principal activities in providing medical and specialist healthcare services, owns and manages 20 private specialist hospitals throughout Malaysia plus 2 hospitals in Indonesia, bringing the total to 22 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 Johor Bahru.

The development of Tanjung Langsat Port at the 1,691 hectares Tanjung Langsat Industrial Complex is to provide port services to companies within the complex. The Tanjung Langsat Port will also become the Storage Hub for O&G sector.

CORPORATE INFORMATION

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WEBSITE

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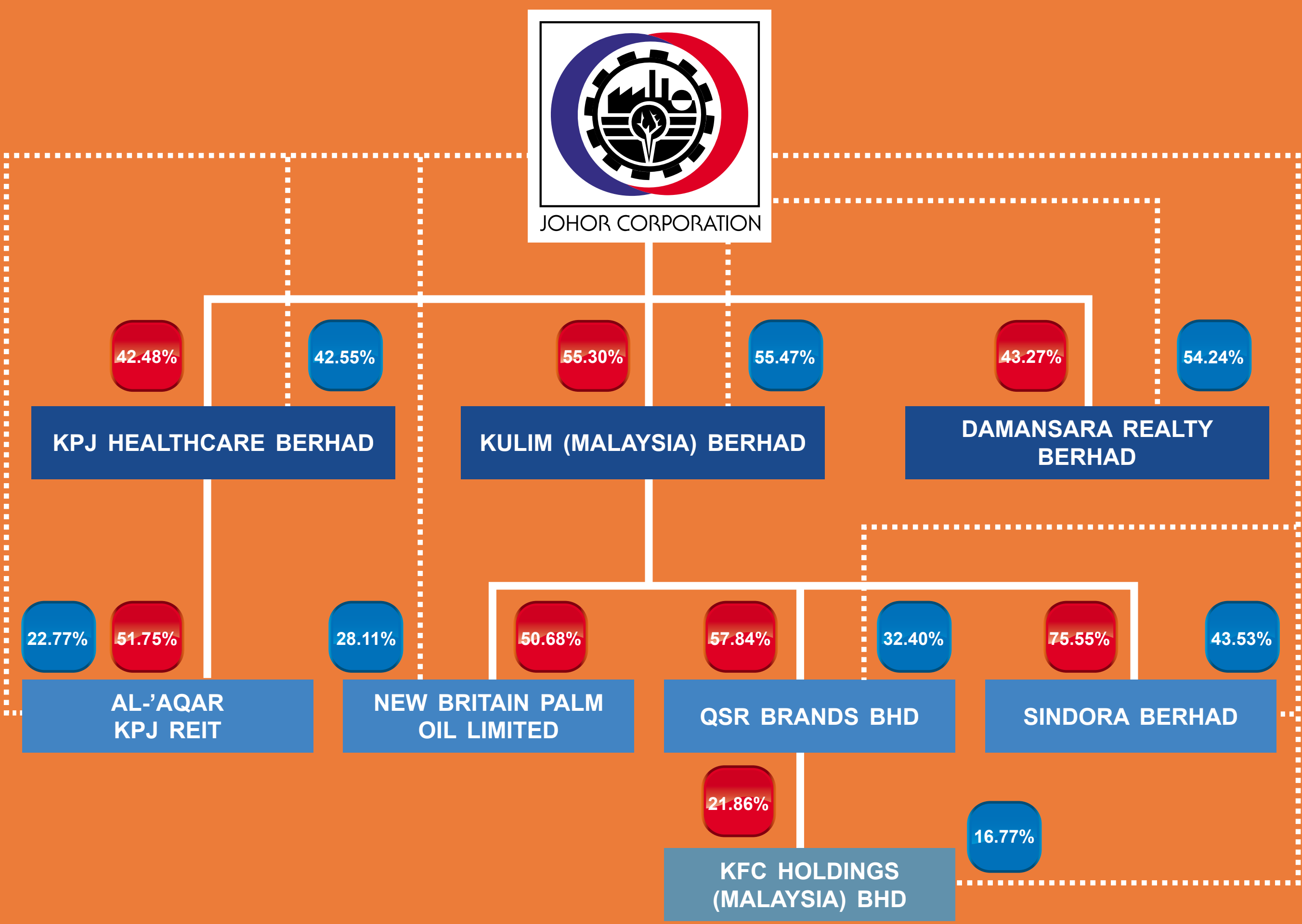
MENARA JCORP

BUSINESS STRUCTURE

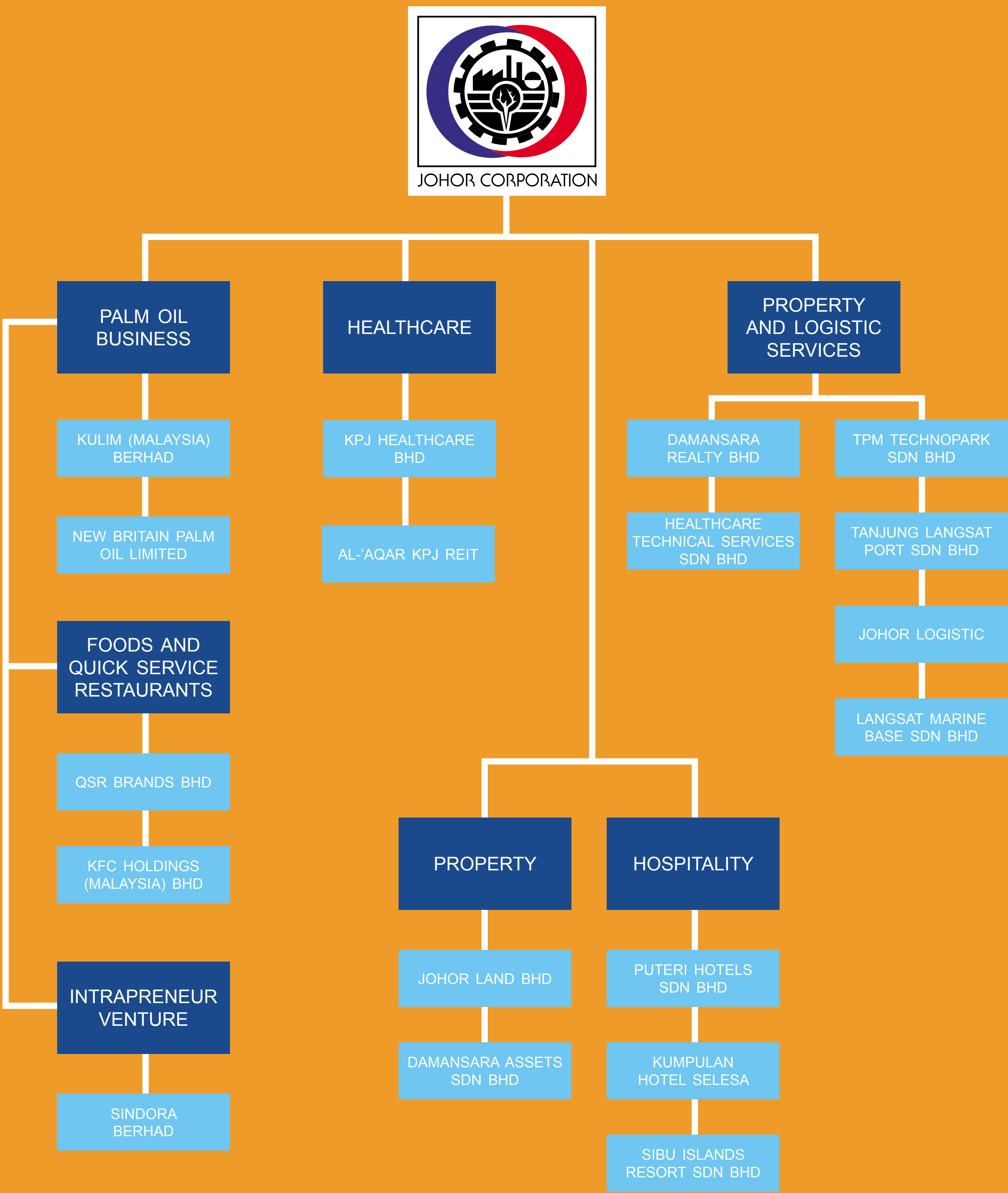


Share Percentage*

JCorp Direct Share Percentage*

*as at 31st December 2010

CORPORATE STRUCTURE



BOARD OF DIRECTORS

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

YBHG TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
President & Chief Executive of Johor Corporation

YB DATUK HAJI AHMAD ZAHRI BIN JAMIL
Chairman of Executive Committee, Housing, Local Government, Work And Public Amenities of the State of Johor

YB TUAN HAJI OBET BIN TAWIL
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 DATUK DR. RAHAMAT BIVI BINTI YUSOFF
Deputy Chief Secretary of Treasury (System & Control), Ministry of Finance

YBHG DATO' SRI DR. ALI BIN HAMSA
Chief Director of Public Private Cooperation Unit, Prime Minister's Office

YBHG DATUK DR. HARIS BIN SALLEH
Chief Executive Officer of Bio-Technology Corporation, Johor Technology and Bio-Diversity Corporation

YBHG DATO' PADUKA ISMEE BIN ISMAIL
Chief Executive Officer of Lembaga Tabung Haji

ENCIK MOHAMED IZAHAM BIN ABDUL RANI
Secretary, Johor Corporation

PROFILE OF BOARD OF DIRECTORS

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

Aged 65, he was appointed as the Chairman of Johor Corporation Board of Directors effective 3 May 1995. He holds a Bachelor in Economics (Hons.) from La Trobe University of Australia, Master of Political Economy, University of Australia and Master of Political Economy from University of Queensland. He is currently the Chief Minister of Johor.

YBHG TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM
Member, Board of Director

Aged 47, he was appointed as the President & Chief Executive of Johor Corporation effective 1 December 2010. He graduated with a Bachelor Of Commerce (Accountancy) from the University of Wollongong, New South Wales, Australia in 1987. Prior to that, he had served as the Chief Financial Officer and Chief Operating Officer of Johor Corporation beginning 1 August 2006, before his appointment as the Senior Vice President, Corporate Services & Finance of Johor Corporation beginning 1 January 2010 and Acting President & Chief Executive of Johor Corporation beginning 29 July 2010.

YB DATUK HAJI AHMAD ZAHRI BIN JAMIL
Member, Board of Director

Aged 62, he was appointed as an Independent Director of Johor Corporation effective 9 September 2009. He holds a Bachelor of Arts from University of Malaya. He is currently the Chairman of Executive Committee, Housing, Local Government, Work And Public Amenities of the State of Johor.

YB TUAN HAJI OBET BIN TAWIL
Member, Board of Director

Aged 57, he was appointed as a Director of Johor Corporation effective 14 March 2011. He holds a Bachelor in Economics (Hons.) from Universiti Kebangsaan Malaysia. He is currently the State Secretary of Johor.

YB DATUK ABDUL RAHMAN PUTRA BIN DATO' HAJI TAHA
Member, Board of Director

Aged 53, he was appointed as a Director of Johor Corporation effective 15 August 2006. He graduated with a Bachelor of Law (Hons.) from Canterbury University, New Zealand in 1984. He is currently the State Legal Advisor of Johor.

YB DATIN PADUKA ZAINON BINTI HAJI YUSOF
Member, Board of Director

Aged 58, she was appointed as a Director of Johor Corporation effective 11 January 2006. She holds a Bachelor of Arts (Hons.) from University of Malaya. She is currently the State Financial Officer of Johor.

YBHG DATO' SRI DR ALI BIN HAMSA

Member, Board of Director

Aged 56, he was appointed as a Director of Johor Corporation representing the Federal Government effective 1 November 2009. He graduated with a Philosophy Doctrate (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 INTAN in 1980. He is currently the Chief Director of Public Private Cooperation Unit, Prime Minister's Office.

YBHG DATUK DR RAHAMAT BIVI BINTI YUSOFF

Member, Board of Director

Aged 54, she was appointed as a Director of Johor Corporation representing the Federal Government effective 1 February 2009. She holds a Philosophy Doctrate (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 INTAN. She is currently the Deputy Chief Secretary of Treasury (System & Control), Ministry of Finance.

YBHG DATUK DR HARIS BIN SALLEH

Member, Board of Director

Aged 63, he was appointed as an Independent Director of Johor Corporation effective 1 July 1997. He graduated with MBBS from University of Malaya in 1975 and Royal College Of Obstetricians & Gynaecologists (London) in 1982. He is currently the Chief Executive Officer of Bio-Technology Corporation, Johor Technology and Bio-Diversity Corporation.

YBHG DATO' PADUKA ISMEE BIN ISMAIL

Member, Board of Director

Aged 46, he was appointed as an Independent Director of Johor Corporation effective 1 November 2010. He is a fellow member of Chartered Institute of Management Accountants, United Kingdom (CIMA) and a member of the Malaysian Institute of Accountants (MIA). He is currently the Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji.

ENCIK MOHAMED IZAHAM BIN ABDUL RANI

Secretary, Johor Corporation

Aged 44, he was appointed as the Secretary of Johor Corporation effective 1 April 2011. He holds a Bachelor of Commerce (Accountancy) from the Australian National University, Canberra. He is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of Certified Practising Accountants of the Australian CPA. He is currently the General Manager, Corporate Office, Johor Corporation.

BOARD INVESTMENT
COMMITTEE

BOARD INVESTMENT COMMITTEE

CHAIRMAN

1. DATO' HAJI ABDUL GHANI BIN OTHMAN
   Johor Menteri Besar
   Chairman, Johor Corporation

MEMBERS

2. DATUK HAJI AHMAD ZAHRI BIN JAMIL
   Chairman of Executive Committee, Housing, Local Government, Work And Public Amenities of the State of Johor

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

4. DATIN PADUKA ZAINON BINTI HAJI YUSOF
   State Financial Officer of Johor

5. DATUK DR HARIS BIN SALLEH
   Chief Executive Officer
   Bio-Technology Corporation,
   Johor Technology and Bio-Diversity Corporation

SECRETARY

6. MOHAMED IZAHAM BIN ABDUL RANI
   Secretary, Johor Corporation

BOARD AUDIT COMMITTEE

BOARD AUDIT COMMITTEE

CHAIRMAN

1. DATUK DR HARIS BIN SALLEH
   Independent Director

MEMBERS

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

3. ZAINAH BINTI MUSTAFA
   Independent Member

SECRETARY

4. ABD RAZAK BIN HARON
   Executive Vice President (Compliance)

MANAGEMENT COMMITTEES

GROUP TOP MANAGEMENT COMMITTEE (TERAJU)

CHAIRMAN

1. KAMARUZZAMAN BIN ABU KASSIM
   President & Chief Executive
   Johor Corporation

MEMBERS

2. AHAMAD BIN MOHAMAD
   Chief Executive
   Palm Oil Division
   Johor Corporation
   Managing Director
   Kulim (Malaysia) Berhad

3. DATIN PADUKA SITI SA'DIAH BINTI SHEIKH BAKIR
   Chief Executive
   Healthcare Division
   Johor Corporation
   Managing Director
   KPJ Healthcare Berhad

4. ZULKIFLI BIN IBRAHIM
   Senior Vice President (Finance & Operation)
   Johor Corporation

5. ROZAN BIN MOHD SA'AT
   Chief Executive
   Hospitality Business Division
   Johor Corporation
   Managing Director
   Sindora Berhad

6. LUKMAN BIN ABU BAKAR
   Chief Executive
   Property Division
   Johor Corporation
   Managing Director
   Johor Land Berhad

7. ABDUL RAHMAN BIN SULAIMAN
   Executive Vice President (Business Development)
   Johor Corporation
   Executive Director & Chief Executive Officer
   Tanjung Langsat Port Sdn Bhd

8. ABD RAZAK BIN HARON
   Executive Vice President (Compliance)
   Johor Corporation
   Director
   JCIA Services Sdn Bhd

9. SYED ALI BIN SYED AHMAD
   Group Human Capital Advisor
   Johor Corporation

JOINT SECRETARY

10. MOHAMED IZAHAM BIN ABDUL RANI
    General Manager
    Corporate Office
    Johor Corporation

11. JAMALLUDIN BIN KALAM
    Special Officer to
    President & Chief Executive Of Johor Corporation
    Acting Deputy General Manager
    Corporate Office
    Johor Corporation

MANAGEMENT COMMITTEES

GROUP HUMAN RESOURCE COMMITTEE

CHAIRMAN

1. SYED ALI BIN SYED AHMAD
   Group Human Capital Advisor
   Johor Corporation

MEMBERS

2. IBRAHIM BIN ABDUL SAMAD
   Senior General Manager
   TPM Technopark Sdn Bhd

3. RAMLAN BIN JUKI
   Senior General Manager
   Sindora Berhad

4. ZULMAN BIN SHARIFF
   Board Members of JIMB

5. SHARIFAH MUSAINAH BINTI SYED ALWI
   General Manager
   Human Resource
   QSR Brands Bhd /KFC Holdings (Malaysia) Bhd

6. DATIN FAUZIAH SABARIAH BINTI JAMALUDDIN
   General Manager
   Human Resource
   KPJ Healthcare Berhad

7. MOKTAR BIN M SALLEH
   Corporate Director, Human Resource
   Hospitality Business Division
   Puteri Pacific Hotel

8. IDHAM JIHADI BIN ABU BAKAR
   Acting Deputy General Manager
   Pro Corporate Management Services Sdn Bhd

9. ABDUL SHUKOR BIN ABDULLAH
   Senior Manager
   Business Intrapreneur
   Johor Corporation

10. FADZILAH BINTI MOHD OTHMAN
    Senior Manager
    Administration & Human Resource
    Johor Land Berhad

11. ROSLAN BIN YAAKUB
    Senior Manager
    General Service
    Kulim (Malaysia) Berhad

SECRETARY

12. SUHANA BINTI SHUIB
    Deputy General Manager
    Human Resources Development & Administration
    Johor Corporation

MANAGEMENT COMMITTEES

EXECUTIVE COMMITTEE (EXCO)

CHAIRMAN

1. ABDUL RAHMAN BIN SULAIMAN
   Executive Vice President (Business Development)
   Johor Corporation
   Executive Director & Chief Executive Officer
   Tanjung Langsat Port Sdn Bhd

VICE CHAIRMAN

2. AZLI BIN MOHAMED
   General Manager
   Finance Department
   Johor Corporation

MEMBERS

3. AZIZAH BINTI AHMAD
   General Manager
   Waqaf An-Nur Corporation Berhad

4. MD SHAHRODIN BIN MD YUNOS
   General Manager
   Land Services Department
   Johor Corporation

5. SHAHRUNI BIN HAJI ASLAM
   Deputy General Manager
   Amal Business Department
   Johor Corporation

6. SUHANA BINTI SHUIB
   Deputy General Manager
   Human Resources Development & Administration
   Johor Corporation

7. NORISHAH BINTI MOHD SETH
   Deputy General Manager
   Corporate Communication Department
   Johor Corporation

8. WAN SU BINTI ALI
   Acting Deputy General Manager
   Legal Department
   Johor Corporation

9. IDHAM JIHADI BIN ABU BAKAR
   Acting Deputy General Manager
   Pro Corporate Management Services Sdn Bhd

SECRETARY

10. RASHIDAH BINTI MD DAUD
    Executive
    Corporate Office
    Johor Corporation

MANAGEMENT COMMITTEES

INVESTMENT REVIEW COMMITTEE (JAWS)

CHAIRMAN

1. RAMLAN BIN JUKI
   Senior General Manager
   Sindora Berhad

MEMBERS

2. AHAMAD BIN MOHAMAD
   Chief Executive
   Palm Oil Division
   Johor Corporation
   Managing Director
   Kulim (Malaysia) Berhad

3. ROZAN BIN MOHD SA'AT
   Chief Executive
   Hospitality Business Division
   Johor Corporation
   Managing Director
   Sindora Berhad

4. ABDUL RAHMAN BIN SULAIMAN
   Executive Vice President (Business Development)
   Johor Corporation
   Executive Director & Chief Executive Officer
   Tanjung Langsat Port Sdn Bhd

5. ABDUL MALEK BIN TALIB
   Deputy Chief Executive
   Property Division
   Johor Corporation
   Executive Director
   Johor Land Berhad

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

7. MD SHAHRODIN BIN MD YUNOS
   General Manager
   Land Services Department
   Johor Corporation

8. AZLI BIN MOHAMED
   General Manager
   Finance Department
   Johor Corporation

9. IDHAM JIHADI BIN ABU BAKAR
   Acting Deputy General Manager
   Pro Corporate Management Services Sdn Bhd

SECRETARY

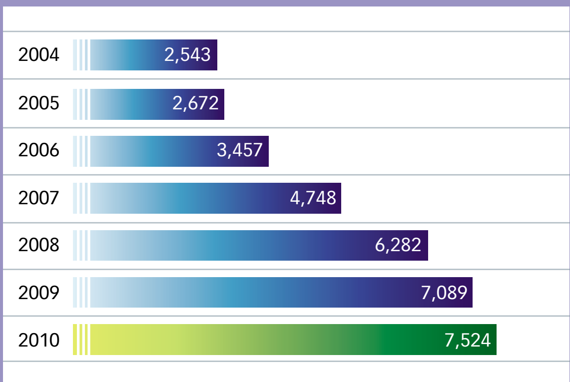
10. MAZENAH BINTI HAJI ABU BAKAR
    Executive
    Corporate Office
    Johor Corporation

SECTION 3

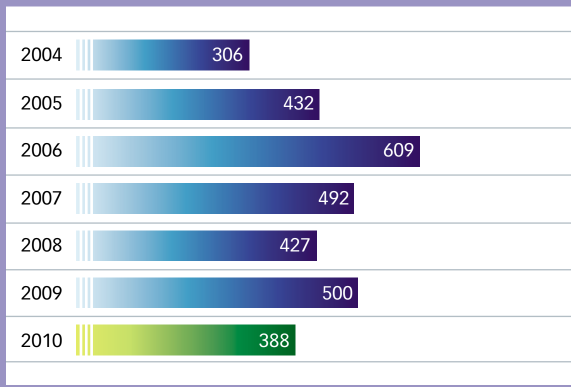
FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS 2004-2010

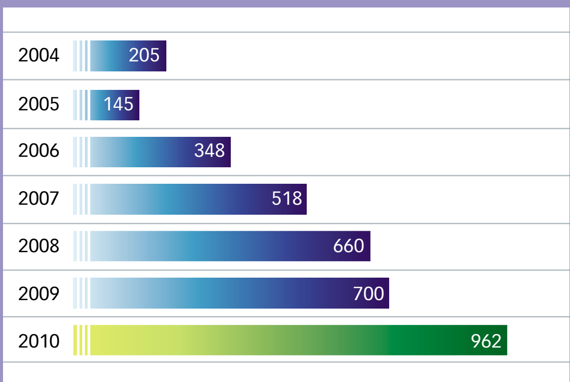
REVENUE (GROUP)
(RM Million)



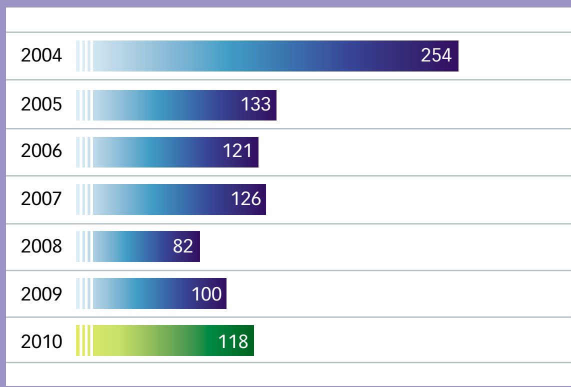
REVENUE (JCORP)
(RM Million)



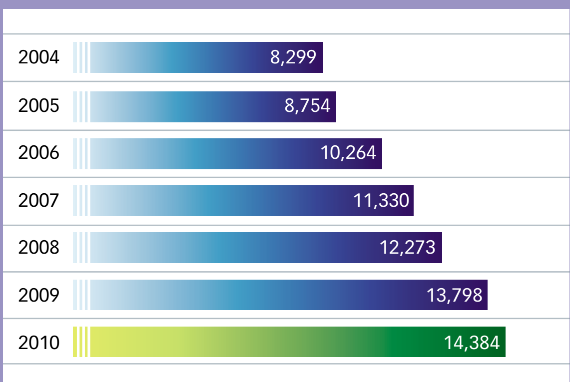
PROFIT BEFORE TAX (GROUP)
(RM Million)



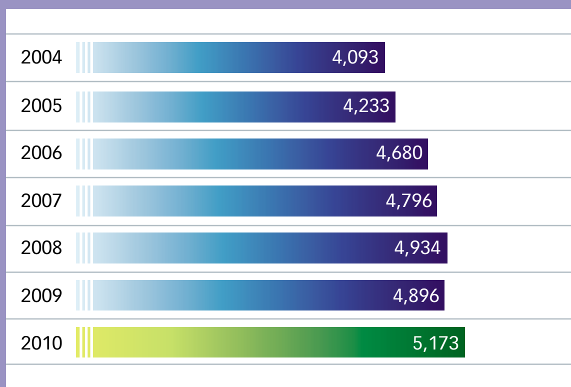
PROFIT BEFORE TAX (JCORP)
(RM Million)



TOTAL ASSETS (GROUP)
(RM Million)



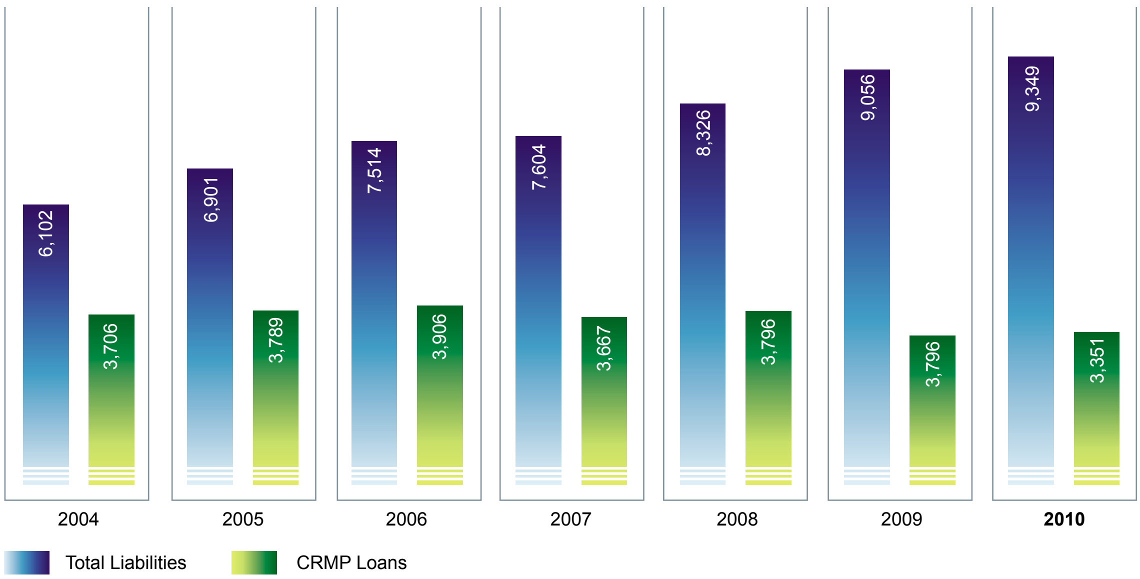
TOTAL ASSETS (JCORP)
(RM Million)



FINANCIAL HIGHLIGHTS 2004-2010
(RM Million)

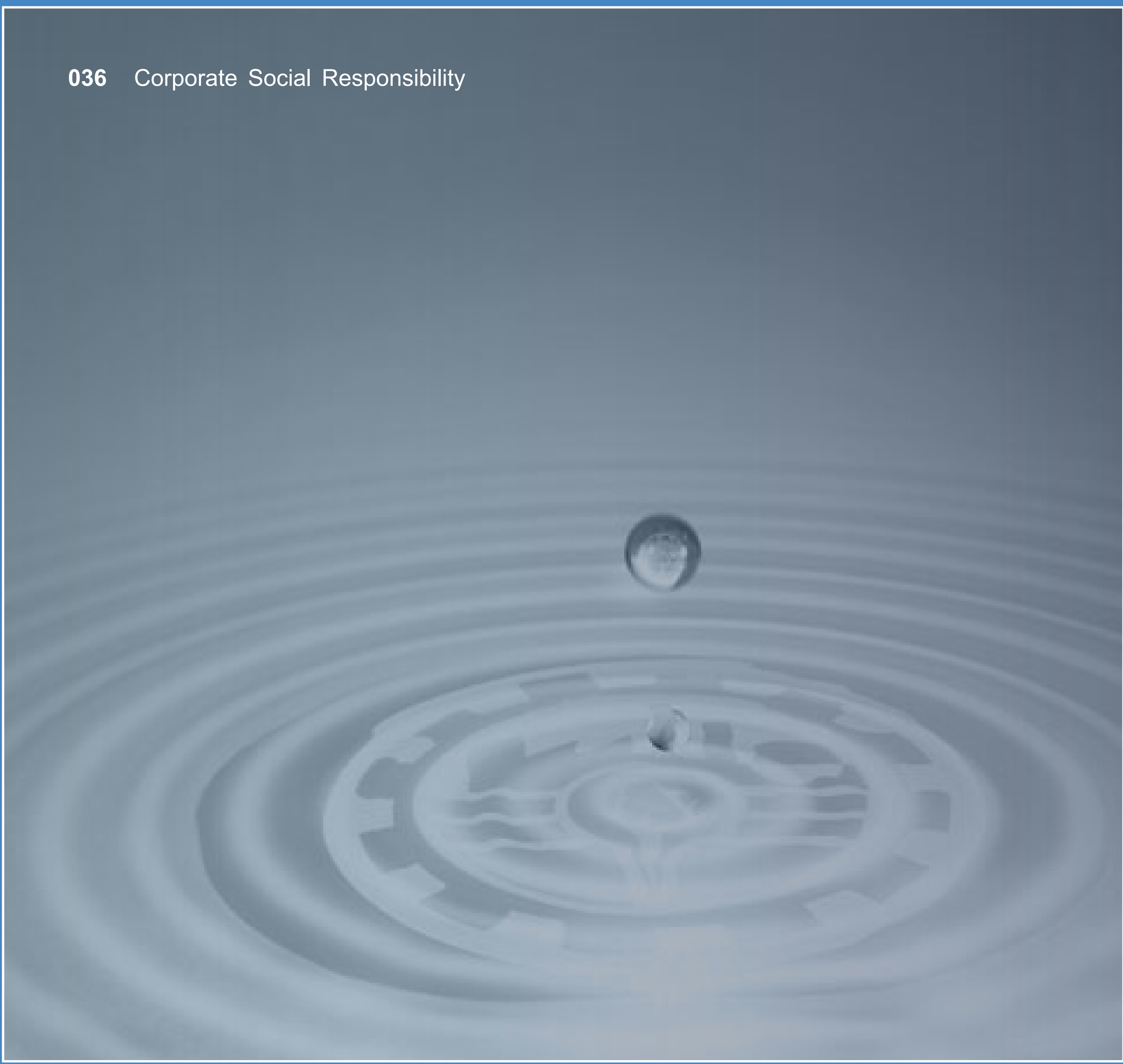
	2004	2005	2006	2007	2008	2009	2010
GROUP							
REVENUE	2,543	2,672	3,457	4,748	6,282	7,089	7,524
PROFIT BEFORE TAX	205	145	348	518	660	700	962
PROFIT AFTER TAX	80	61	262	478	464	446	834
TOTAL ASSETS	8,299	8,754	10,264	11,330	12,273	13,798	14,384
TOTAL LIABILITIES	6,102	6,901	7,514	7,604	8,326	9,056	9,349
TOTAL EQUITY	2,197	1,853	2,750	3,726	3,947	4,742	5,035
JCORP							
REVENUE	306	432	609	492	427	500	388
PROFIT BEFORE TAX	254	133	121	126	82	100	118
PROFIT AFTER TAX	246	124	115	126	77	99	119
TOTAL ASSETS	4,093	4,233	4,680	4,796	4,934	4,896	5,173
TOTAL LIABILITIES	4,040	4,058	4,251	4,241	4,302	4,165	4,303
TOTAL EQUITY	53	175	429	555	632	731	870

TOTAL LIABILITIES (GROUP)
(RM Million)



SECTION 4

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

JCORP IS A STATE INVESTMENT CORPORATION CONSTANTLY STRIVING TOWARDS FULFILLING ITS ASPIRATION TO BECOME A CORPORATE ENTITY THAT DEFINES PROSPERITY AND UPHOLDING CORPORATE SOCIAL RESPONSIBILITY AS ONE OF ITS KEY AGENDA. IN LIGHT OF ITS AMBITION "MEMBINA DAN MEMBELA", JCORP BELIEVES THAT CORPORATE SUCCESS AND SOCIAL RESPONSIBILITIES WORK HAND IN HAND AS TO BE REALISED THROUGH APPROACHES THAT CONFORM TO ISLAMIC SYARIAH PRINCIPLES AND UNIVERSAL VALUES.

At JCorp, non-profit associations and bodies are known as Amal Business Organisation (ABO). ABO functions as a medium for JCorp to contribute towards the development of the ummah through various aspects of charity, well being and recreation as well as entrepreneurship.

In 2010, 26 non-profit associations are operating under JCorp's ABO. These ABOs fall under a few categories namely Social & Public Welfare Development, Entrepreneur, Sports and Recreation Development as well as Staff Welfare.

SOCIAL DEVELOPMENT AND PUBLIC WELFARE

CHAIN OF JOHOR CORPORATION AN-NUR MOSQUES

Until recently, there are altogether 7 mosques including one in Pulau Sibu under JCorp's management through Waqaf An-Nur Corporation Bhd. Services provided by the mosques are not limited to as a place of worship, but also a centre of knowledge for the community members. The chain of Johor Corporation An-Nur mosques could now cater to over 15,000 worshippers.

WAQAF AN-NUR HOSPITALS AND CLINICS

In 2010, a Waqaf An-Nur Hospital and 12 other Waqaf An-Nur Clinics remain under the oversight of Johor Corporation. A total of 660,907 treatments were delivered to patients of the hospital and chain of clinics. 40,357 or 6% of the aforesaid treatments were catered to the non-Muslim patients, while kidney-ailed patients at the hospital and 4 clinics providing the dialysis services mounted up to 120 people.

The main objective of the clinic's and hospital's establishment is to provide healthcare and dialysis services to the less fortunate segment of the society.

Waqaf An-Nur Hospital and chain of Waqaf An-Nur Clinics provide not only healthcare treatments at a nominal charge of RM5 inclusive of medicines, yet offers dialysis treatments at a subsidised price to the deserving. These patients also receive monetary assistance from Baitul Mal, PERKESO and all other welfare agencies that allow them to receive free treatment.

660,907

TREATMENTS WERE DELIVERED TO PATIENTS OF THE WAQAF AN-NUR HOSPITAL AND CHAIN OF CLINICS

CORPORATE SOCIAL RESPONSIBILITY
CONTINUED

RM461,424
HAD BEEN EXTENDED TO THE NEEDY IN 2010

WAQAF BRIGADE

Holding fast to the vision of becoming an outstanding Islamic voluntary organisation in calamity management both nationally and internationally, Waqaf Brigade has proven its existence through recognition granted by National Security Council (NSC).

Waqaf Brigade team has contributed its service during the flood catastrophe in the northern part of Peninsula Malaysia. Waqaf Brigade has sent 12 elite members occupied with a week-lasting food and medical stocks beginning 8 to 15 November 2010. Alor Star, Kota Star, Kubang Pasu, Jitra and Kepala Batas were the focal area of aid as they were the intensely affected territories that have brought about majority of the 38,000 flood victims in Kedah. Waqaf Brigade focused on humanitarian aid to 310 of these victims which happened to be the staff at JCorp Group of Companies being Kedah Medical Centre (KMC), KFC Holdings (Malaysia) Bhd and QSR Brands Bhd. Total aid is accumulated to RM160,000.

AT-TIJARAH AND TIJARAH RAMADAN

In order to produce dynamic business thinking while nurturing wider strength of business culture to the broader sense of community, JCorp in collaboration with Malaysia Islamic Chamber of Commerce (MICC) continued the airtime of the 13-episode At-Tijarah Programme for the 6th season. Concept featured in 2010 told the success stories of Malaysian Muslim entrepreneurs overseas.

Tijarah Ramadan programme provides similar opportunities to companies be it within or other than those of JCorp Group, as well as government agencies to expose their charitable and social activities through the medium of television. This is out of the realisation that besides business success and profits gained by organisations, there are responsibilities and trusts carried alongwith to assist the deserving among Malaysians. The year 2010 also witnessed the involvement of outside companies in designated episodes of Tijarah Ramadan besides companies in JCorp Group.

TIJARAH RAMADHAN FUND - JOHOR CORPORATION FOUNDATION

Since launched in 2005 until December 2010, Tijarah Ramadhan Fund has successfully raised a total of RM1,792,906 as a result of charitable contributions made by corporate and public bodies through SMS, cash deposit and cheque from all over Malaysia including Singapore and Brunei.

From that amount, Tijarah Ramadhan Fund has funnelled RM 1,471,622 to the less fortunate nationwide. From January to December 2010, a total of RM461,424 had been extended to the needy.

Almost 4,600 individuals including deserving institutions have been the beneficiaries of Tijarah Ramadhan Fund regardless of their racial denomination and religious background.

THE DARUL HANAN ORPHANAGE

Tracking back from the day since it was first established, Darul Hanan has widely opened up its door to 304 deserving children. Darul Hanan gives greater emphasis on knowledge and well-being of these children to assure their high education standard and plausible morality so that their direction of life is better perfected in the future.

In 2010, as many as 28 male occupants and 36 females are benefiting from Darul Hanan's hospitality. Currently, 4 male adolescents and 3 female adolescents are now following tertiary education at the higher learning institutions.

IMAM AL-BUKHARI THEATRE PLAY

JCorp also explores on a new dimension by venturing into theatre as one of its CSR branches. The play was brought to the audience in collaboration with State Mufti Department of Johor.

Imam Al-Bukhari Theatre Play was organised to motivate the Muslim community so that they might realise and be attentive to the hardships and struggles of the earlier Muslim scholars in safeguarding the religion as time evolves to over fifteen hundred years. Imam Al-Bukhari was one out of uncountable other scholars of Islamic History and happened to be a narrator of authentic hadiths. He was known for his remarkable contributions in preserving and safeguarding hadiths which become the important reference among Muslims now and then. This play was also aimed at featuring theatre as a mode of dakwah (preaching) therefore allowing the sharing of knowledge through a show-tell.

4,600 INDIVIDUALS INCLUDING DESERVING INSTITUTIONS HAVE BEEN THE BENEFICIARIES OF TIJARAH RAMADHAN FUND

CORPORATE SOCIAL RESPONSIBILITY
CONTINUED

ENTREPRENEUR DEVELOPMENT

BISTARI PROGRAMMES

Tunas BISTARI is a programme launched by Bistari Johor Berhad with the objective of nurturing the entrepreneurship impetus among the younger generation beginning from the primary level up to the tertiary. These programmes are called Didik BISTARI, Tunas BISTARI and Siswa BISTARI.

Meanwhile, CATUR BISTARI is a business-oriented board game founded on Islamic values featuring a leisure learning concept that will enhance the level of comprehension in pursuit of knowledge. CATUR BISTARI is designed with the aim to ignite the player's interest and awareness regarding the importance of entrepreneurial and successful financial management aspects. Apart from entertainment, this game shapes business intuition which will eventually be explored as a career, deed and strive.

Bistari Young Entrerpeneur Sdn Bhd is aggressively introducing CATUR BISTARI to the larger crowd especially the public through competitions held in primary, secondary as well as open categories.

BISTARI CLUB

Through BISTARI Club, JCorp managed to consolidate as many as 2,659 individuals, entrepreneurs and corporate in enhancing cooperation opportunities amid Bumiputera entrepreneurs. Few activities to be named are sessions of discussion, book review and experience-sharing, management seminar and trade visits.

JCORP MANAGED TO CONSOLIDATE AS MANY AS **2,659** INDIVIDUALS, ENTREPRENEURS AND CORPORATE IN ENHANCING COOPERATION OPPORTUNITIES AMID BUMIPUTERA ENTREPRENEURS

SPORTS & RECREATION

JOHOR CLAY TARGET SHOOTING ASSOCIATION

The association has successfully organised two major events being Iskandar Shoot 2010 on 22 to 25 April 2010 and Australasia Shooting Competition on 21 to 25 October 2010.

IPSC Level IV Australasia Shooting Competition 2010 was held at the Johor Clay Target Shooting Association (JCTSA) Shooting Range in Ladang REM, Kota Tinggi. Over 500 local and international shooters participated in this competition. Participants from 26 countries including Australia, Germany, France, Japan, Russia, the United States and Malaysia has witnessed a tight competition during the 5-day event.

This competition has evidently approved Malaysia's potential as a stage of international events. It has also given Malaysians an opportunity to play and compete with their international counterparts hence measuring their shooting proficiency.

The solemnization of the Opening Ceremony was successfully put into place by Duli Yang Amat Mulia Tunku Ismail Ibni Sultan Ibrahim, The Regent of Johor at the Majidee Camp Marching Field on 18 October 2010. This competition was organized by the Practical Shooting Association of Malaysia (PSAM) in collaboration with Dynamic Shooting Association of Singapore (DSAS) and Johor Clay Target Shooting Association (JCTSA).

JOHOR KITERS ASSOCIATION

Over 10 years of age, Johor Kiters Association is nationally and internationally infamous at this point of time. International Kite Festival becomes a sought after event from all level of society regardless of age. The kite festival enhances the potential of local tourism industry.

Bandar Dato' Onn International Kite Festival 2010 was co-organised by JCorp and Johor Land Berhad in collaboration with Johor Kiters Association and Malaysian Kiters Council themed "One Space, One World, One Dream" was held for three days beginning 6 to 8 February 2010. This festival has brought in 87 international kiters from 19 countries and 59 local kiters.

CORPORATE SOCIAL RESPONSIBILITY
CONTINUED

JOHOR YACHTING ASSOCIATION AND MALAYSIA YACHTING ASSOCIATION

JCorp also immersed in yachting activity through Johor Yachting Association and Malaysia Yachting Association. Athletes are taking part in both local and international yachting scenes hence glorifying Malaysia's reputation worldwide.

On 28 December 2010 to 8 January 2011, IODA World Sailing Championship 2010 took place in Langkawi, Kedah. Malaysian Ahmad Syukri Abdul Aziz stood as the individual overall runner-up in the championship.

JOHOR FC

In the season of 2010, Johor FC became the focal attention among football fans particularly Johoreans as they historically made it to the Malaysia Cup semi finals. The selection of Johor FC as the Best Football Club 2010 has proven the reliability and effectiveness on the management side. The win marked the second time consecutively the team had won. Johor FC Futsal Team became the Runner-Up in National Futsal Tournament FAM/Felda 2010 accordingly.

JOHOR MOTOR CLUB

Johor Motor Club is a club under Automotive Association of Malaysia (AAM) consolidation which is actively involved in the development of motorsports. Various championships had been put forward being the Johor Clubman Race 2010, Johor Sprint Challenge 2010, Saturday Nite Sprint and Petronas AAM Malaysian Cub Prix 2010.

Johor Motor Club will appear more dynamic these days with the help of the new committee appointed end of last year. Activities are being sketched to attract larger crowd of motorsports and extreme sports enthusiasts.

STAFF WELFARE

MUTIARA JOHOR CORPORATION

Mutiara Johor Corporation chaired by YBhg Puan Noor Laila Yahaya is a woman club membered by female staff and spouses of male staff. It is among the societies that are active in welfare, religious, social and academic activities of its members and society alike.

PERSATUAN KELUARGA PERBADANAN JOHOR

The membership of PKP Perbadanan Johor (PKP) consists of JCorp staff. PKP was established to look after the welfare of JCorp staff. Among the activities undertaken were giveaways of Hari Raya contribution to the staff and local communities as well as informative visits. PKP brought home the President & Chief Executive Trophy in marching category in conjunction with Johor Corporation Sports Carnival 2011. Compliments were also extended to the children of staff who managed to pass with flying colours in premier examinations and those who made it to the higher learning institutions.

CORPORATE SOCIAL RESPONSIBILITY
CONTINUED

PROSPECT

JCorp and its Group of Companies will continue to serve through generating profitable gain while creating values through business. At the same time, JCorp is committed to the wants and needs of the society by utilizing all the existing resources to fulfill its social responsibilities through direct and indirect events as well as outreaching its management professionalism.

As a responsible corporate organisation, we believe that JCorp and its Group of Companies together with all staff have to get actively on board in community and social development. Hence, this will continue to uphold JCorp Group's image particularly in economic and social progress.

SECTION 5

PROSPECTS

ECONOMIC REVIEW

GLOBAL ECONOMY EXPANDED BY 3.9% IN 2010 AS ACCORDING TO THE INTERNATIONAL MONETARY FUND (IMF). THE EXPANSIONS WERE PARTIALLY DUE TO ACCOMMODATIVE POLICY STANCE AS ADOPTED BY THE DEVELOPED ECONOMY NOTABLY THE UNITED STATES AND JAPAN. PRIVATE CONSUMPTION WHICH WAS BADLY AFFECTED DURING THE FINANCIAL CRISIS HAD GAINED MOMENTUM. THE DEVELOPING AND EMERGING WERE NO EXCEPTION. THE ECONOMIES WERE UPLIFTED BY ENCOURAGING CAPITAL INFLOWS, STIMULUS PACKAGES AND BUOYANT PRIVATE DEMAND.

Growth in Asia was spearheaded by the Chinese economy which recorded a double digit growth for two consecutive quarters within the first half of 2010. Escalating inflows of capital which have boosted share prices across the region have also strengthened the Asian currencies and some recorded new highs against the greenback. Locally, the nation's economy rebounded strongly, achieving an astounding growth of 7.2% in 2010 as compared with a contraction in GDP of negative 1.7% in 2009. The strengthening of domestic consumption backed by accommodative monetary policy and favorable fiscals elevated the local economy.

Nevertheless, the financial condition in the European region sparked some concerns of another meltdown. A series of downgrades of credit ratings were conducted on few states of the Union that included Greece, Portugal and Hungary by international rating agencies. This has been triggered by the losses of the banking sector and concerns about the fiscal sustainability. The Eurozone government which has recorded a heightening deficit was in jeopardy to substantiate drastic measures.

In 2010, the strong surge in asset prices had also triggered tightening policies in some areas. Soaring inflation had prompted central banks in China not excluding India, Australia and Malaysia to raise the key interest rates. However, investors took it positively as measures to avoid asset bubble and to prevent another collapse in the economy.

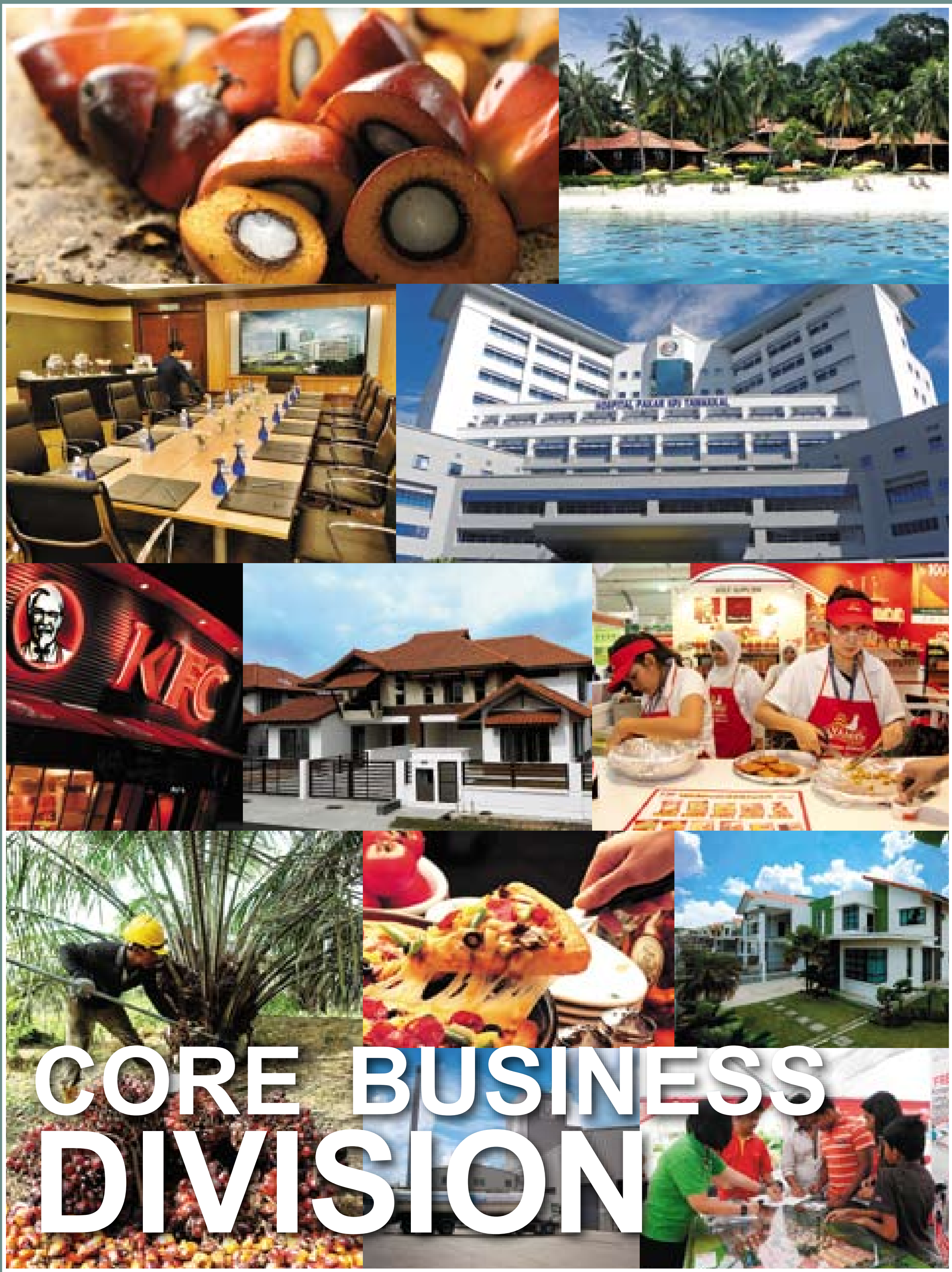
ECONOMIC PROSPECTS

World output will continue to accelerate in 2011 albeit at a slower pace. Growth in the advanced economies is expected to be lower than the rest of the world. High unemployment would remain a major concern in those areas. Simultaneously, renewed worries on Europe's debt crisis would suggest that downside risk is still imminent. Nevertheless the economies are likely to maintain accommodative monetary and favorable fiscal policies.

In the meantime, oil price which has since resumed its uptrend is now an emerging threat to the global economy. Higher commodity prices not excluding the food prices threaten to hinder economic performance. Signs of overheating notably in the Asian region will continue to put pressure on inflationary. Thus, central banks across the region are more likely to tighten their monetary policies, increasing interest rates to appropriate level.

Despite all these factors, global financial situation is expected to remain favorable in 2011. Better economic condition, higher risk appetite and abundant liquidity would continue to support growth and equity markets globally.

In Malaysia, the economy is expected to achieve a lower growth of 5-6% in 2011 due to deceleration in export growth. Nevertheless domestic demand would continue to support the economy growth backed by the implementation of projects under the Economic Transformation Programmes and accommodative monetary stance.



CORE BUSINESS DIVISION

PALM OIL DIVISION

TOMORROW STARTS HERE

2010 was another eventful year for the Kulim Group. With a firm foundation, Kulim continue to perform at the highest level with enthusiasm and energy.

For Kulim, profits are much higher than last year's, driven by expansion into Papua New Guinea (PNG), the rally in palm oil prices, the one-time income from the sale of the oleochemicals business, and strong growth at the Foods & Quick Service Restaurants Division. Kulim derives about 72% of its Profit Before Tax (PBT) from the plantations business in Malaysia as well as PNG, operated via the London-listed unit New Britain Palm Oil Limited (NBPOL). The remainder comes from Foods & Quick Service Restaurants business via QSR Brands Bhd, which licenses fast-food chains including Pizza Hut and KFC.

CORPORATE DEVELOPMENTS (KULIM)

Transparent corporate communications and open dialog provide the basis for information to Kulim stakeholders and co-operation with the media. Kulim were honoured to be conferred as Winner of the Best Sustainability Report and Commendation for Reporting on Strategy and Governance at the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2010. And for the 3rd consecutive year Kulim were the proud winner of the NACRA 2010, Industry Excellence – Plantations and Mining (Main Market) award for the 2009 Annual Report.

Kulim is keen to expand its oil palm planted area, and new estates are of interest if they can fit in with the Round Table on Sustainable Palm Oil (RSPO) principles. In PNG, NBPOL's successful acquisition in April 2010 of 80% of CTP (PNG) Limited, now known as Kula Palm Oil Limited (KPOL), added another 26,295 hectares of established oil palm plantation together with 5 palm oil mills.

With biofuels facing difficult challenges and an uncertain future, Kulim resolved to restructure their investment by exiting from the joint venture in Singapore. In April 2010, Kulim transferred 49% equity interest in Nexsol (S) Pte Ltd to Peter Cremer (Singapore) GmBH (Peter Cremer) and Peter Cremer agreed to transfer its 49% equity interest in Nexsol (M) Sdn Bhd to Kulim. Post the equity swap, Nexsol (M) Sdn Bhd, became a 100% subsidiary of Kulim while Nexsol (S) Pte Ltd ceased to become an associate.

The disposal of Natural Oleochemicals Sdn Bhd (NatOleo) and its subsidiaries to PGEO Group Sdn Bhd of Wilmar for RM450 million marked the Group's exit from oleochemicals business and was completed in September 2010. The rationale for the disposal is to unlock the value of Kulim investment in NatOleo, which produces mainly basic oleochemicals but is characterised by significant volatility in earnings. By disposing of NatOleo, Kulim will now be able to focus more attention on better-margin, more stable and profitable businesses, the oil palm plantations as well as Foods and Quick Service Restaurants businesses.

KULIM DERIVES ABOUT

72%

OF ITS PROFIT BEFORE TAX FROM THE PLANTATIONS BUSINESS

PALM OIL DIVISION
CONTINUED

THE DIVISION'S OIL PALM PLANTED AREA INCREASED TO

134,403

HECTARES

Apart from the business rationale, the move represents a strong signal of Kulim intention to realize the hidden values within the Group. A high sum-of-part Kulim has often been thought unrealizable due to lack of concrete measures to crystallize the values. As such, this sale was also intended to send a signal of the contrary.

The Group continues to work towards the global standards espoused by RSPO. NBPOL's Ramu operations were officially RSPO certified in August 2010 followed by Guadalcanal Plains Palm Oil Limited (GPPOL) in February 2011. Newly-acquired KPOL is in the process of rehabilitation, making preparations to undergo the RSPO audit. JCorp owned plantations had also successfully obtained RSPO certification in February 2011.

SUSTAINABLE PALM OIL

The Round Table on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable palm oil products through credible global standards and the engagement of stakeholders. The RSPO standards are put in place to ensure that no primary forests or any other high conservation value areas are cleared for new oil palm plantations. It also aims to minimise the environmental footprint as well as preserve the basic rights of local landowners, farm workers and indigenous people.

PLANTATIONS

The Group continues to pursue its 30:30 initiative with the objective of raising fruit yields to 30 metric tons per hectare and palm product extraction rates to 30%. Results this year have been mixed especially with the new acquisition making year on year comparisons difficult. However, it is evident that cropping potential in most of the Group's PNG and Solomon Islands (SI) estates can reach 30 metric tons of fruit per hectare, as this has already been achieved in some estates.

The acquisition in PNG at the end of April 2010 of KPOL added a further 26,000 hectares of oil palm estates as well as over 16,000 hectares of smallholders' plantation.

The Division's oil palm planted area increased to 134,403 hectares as compared to 106,123 hectares in 2009. Reflecting the acquisitions overseas in the last few years, now over half of planted area is in countries outside Malaysia, the proportions being: 42% in Malaysia, 53% in PNG and 5% in the SI.

Malaysian Plantations

In Malaysia 3,326.96 hectares were replanted in 2010 against 3,489.66 hectares scheduled. The drought period from January to March and the wet weather in the second half of the year affected land preparation for the replanting in some of the estates, so the work is now in progress and is expected to be completed by early 2011. By the end of 2010, the Malaysian estates' average palm age decreased slightly from 13.55 years in December 2009 to 12.99 years in December 2010.

For the last three years in succession, Malaysian operation has recorded commendable improvements in the Oil Extraction Rate (OER): 2008: 19.16%, 2009: 19.94%, 2010: 20.45% despite a higher percentage of FFB being purchased from third parties. Likewise, since 2008, Kernel Extraction Rate (KER) has outperformed the industry average in Peninsular Malaysia.

In Malaysia, total CPO production was 244,639 metric tons in 2010 which was slightly lower by 5.6%, than the 259,130 metric tons in the prior year. Palm Kernel (PK) production was 70,809 metric tons a decline of 9.1% from the 77,916 metric tons in 2009. In terms of oil yield, despite a drop in FFB yield per hectare, Malaysian mills recorded a significant improvement in OER which rose to 20.45%, an increase of 0.51% from 19.94% in 2009, while KER decline marginally to 5.92% in 2010 compared to 5.99% in 2009.

IMPROVEMENT IN THE OER TO

20.5%

PNG and SI Plantations

In PNG and SI, the volume of FFB processed rose dramatically to 1.98 million metric tons, boosted from May 2010 by the inclusion of the newly acquired KPOL estates at Higaturu, Milne Bay and Poliamba. The proportion of smallholder's crop to total crop fell to 27.7% compared to 29.3% the previous year, a result of the addition of the new estates. PNG and SI's average yield of FFB per hectare over the 69,139 hectares of oil palms under harvest was 23.6 metric tons per hectare (assuming annualised yield for Higaturu, Milne Bay and Poliamba).

The yields in West New Britain were 26.1 metric tons per hectare, slightly down compared to 2009 level whilst the yields for Higaturu, Milne Bay and Poliamba compared on annualised basis were 22.7 metric tons per hectare.

Construction of the company's next oil mill, the twelfth in NBPOL, has started and will have a capacity of 60 metric tons of fruits per hour. Commissioning is now expected in the second half of 2011. Civil works are mostly complete and all machinery is on site awaiting assembly.

Kulim are also pleased to note that NBPOL's smallholders were the very first smallholders' groups to be awarded RSPO certification.

PALM OIL DIVISION
CONTINUED

Palm Oil Refinery in Liverpool, United Kingdom

NBPOL's new refinery in Liverpool, United Kingdom, commenced operations in May 2010 and has already seen increases in sales and production.

Beef Production

NBPOL Group's herd size showed no appreciable movement with 19,600 cattle managed in two separate locations (16,000 at Ramu and 3,600 in West New Britain). The Group's herd produced some 803,000 kilograms of beef for the PNG market generating revenue of K11.8 million.

INTRAPRENEUR VENTURES (KULIM)

Building on its success in the oil palm seedling and ornamental plant nursery business, Kulim Nursery Sdn Bhd has entered into the production and marketing of an organic environmentally friendly fertiliser using oil palm by products – biocompost. A new venture, Extreme Edge Sdn Bhd, formerly a department within EPA Management Sdn Bhd, has been corporatised to capitalise on the growing opportunities present in the ICT sector as well as to provide ICT services to related companies within the Group.

TOTAL REVENUE FOR BEEF PRODUCTION FOR NBPOL GROUP OF

KINA 11.8 MILLION

PROSPECTS AND PLANS

The global economy holds the key to the outlook for palm products' prices. Energy prices and their effect on bio-diesel would be an important factor that would determine CPO prices this year. Local commodities are set to stay bullish at least until the first half of 2011.

Projections show that by 2015, about 62 to 63 million metric tons of palm oil would be required versus 45.5 million metric tons in 2010.

While the palm oil industry's sustainability initiative is making considerable progress toward improving its environmental performance, a major attraction for the wider adoption of RSPO standards is the financial incentives for producers.

The Group continues to pursue its two pronged strategy of organic growth and increasing oil yields through its 30:30 mission by banking on superior planting materials to replace the old palms as well as enhancing crop quality and the milling process to improve OER.

The strong performance of 2010 emphasizes the relative strength and robustness of the Division's business model amid the strong challenges faced throughout the year. The Division will continue to be resolute in fulfilling its sustainable growth agenda whilst in the same time remains optimistic that its businesses will prevail and continue to grow throughout 2011.

HEALTHCARE DIVISION

CHARTING CONTINUOUS GROWTH

Since its establishment, KPJ Healthcare Berhad (KPJ) has pursued a consistent strategy of identifying new growth areas and investing its funds to develop greater capacity and capability to serve more patients.

To date, the Group has a network of more than 20 hospitals in Malaysia and two in Indonesia with a staff force of more than 8,000 employees. Its team of 700 strong Medical Consultants, together with KPJ's nursing, allied health and support staff, nursed more than two million patients back to health in 2010.

To further enhance its position and to strengthen its brand name in the industry, KPJ aims to drive ahead with its aggressive business strategy by undertaking rapid organic expansion, acquisitions and targeting new markets.

In fiscal 2010, Rumah Sakit Bumi Serpong Damai in Jakarta and KPJ Tawakkal Specialist Hospital in Kuala Lumpur opened their doors to the public while existing hospitals ramped up their capacity. For instance, KPJ Johor Specialist Hospital in Johor Baru opened a new 50-bedded Premier Ward as well as additional outpatient clinics along with a 130-bay 5-storey car park.

Others like KPJ Selangor Specialist Hospital in Shah Alam and KPJ Ipoh Specialist Hospital in Perak upgraded their facilities, with the former giving a facelift and further enhancing the services of its Accident and Emergency Unit, while the latter refurbished its 6,948 square feet Paediatric Ward at a cost of RM1 million.

KPJ Ipoh Specialist Hospital was honoured with the presence of D.Y.T.M. Raja Puan Besar Perak Darul Ridzuan Tuanku Zara Salim at the grand opening of its Paediatric Ward on 6 October 2010 and the hospital also began providing Bone Densitometry Services at its newly-renovated Diagnostic Imaging Service centre and Lasik Surgery in 2010.

SPREADING OUR WINGS, STRENGTHENING OUR PRESENCE

KPJ also embarked on several strategic initiatives to further expand its capacity. The year 2010 saw the Group capitalizing on a few acquisition opportunities, including one in Sabah, where KPJ purchased a 51% stake in Sabah Medical Centre (SMC) in June 2010. Development is also underway to erect a new hospital building to expand the SMC operation and to further strengthen its presence in East Malaysia.

4 KPJ HOSPITALS SUCCESSFULLY ACHIEVED FULL 3-YEAR ACCREDITATION STATUS

A symbolic launch was held at Sutera Harbour Resort on 13 December 2010 to mark the groundbreaking of the project, which was officiated by Yang Berhormat Datuk Peter Pang En Yin, former Deputy Chief Minister of Sabah.

In January 2011, KPJ inked an agreement to purchase a 100% interest in Sibu Specialist Medical Centre as well as a geriatric care centre known as Love Care Centre in Sibu, Sarawak. This will enable KPJ to offer its services to a wider customer base in Sarawak and to explore the aged care market.

Currently, KPJ is in the midst of building its Bandar Baru Klang Specialist Hospital in Selangor and expects to complete construction works in 2011, following KPJ's acquisition of the partially completed building for RM38 million in 2009. The Group had invested a further RM70 million to complete and equip the hospital, to serve the Klang population and its surrounding communities.

ENSURING SAFE SERVICE

KPJ maintains a continuous emphasis in providing high quality care and giving the utmost priority to patient safety at all times. These high standards can be achieved through the support of the Medical Advisory Committee and participation of its Medical Consultants, nursing and allied health as well as management staff in sharing of views on clinical issues and development policies and procedures to enhance patient safety at KPJ hospitals.

Efforts to achieve clinical excellence through the promotion of best practices will continue to be reflected through the achievement of accreditation certification from internationally-recognized bodies such as the Malaysian Society for Quality in Health (MSQH).

In 2010, four KPJ hospitals successfully achieved full 3-year accreditation status after undergoing stringent surveys on all aspects of patient safety and quality, namely, KPJ Perdana Specialist Hospital, KPJ Kajang Specialist Hospital, KPJ Penang Specialist Hospital and Kedah Medical Centre. With that, 10 of KPJ's hospitals have now achieved MSQH-accreditation status, with the other six being KPJ Johor Specialist Hospital, KPJ Ipoh Specialist Hospital, KPJ Ampang Puteri Specialist Hospital, KPJ Damansara Specialist Hospital, KPJ Selangor Specialist Hospital, and KPJ Seremban Specialist Hospital.

Going forward, more KPJ hospitals will seek to undergo such external peer-review or accreditation processes to ensure that good practices and procedures are adhered to and that their performances are in line with internationally-accepted standards.

HEALTHCARE DIVISION
CONTINUED

PUTTING QUALITY FIRST

KPJ is synonymous with quality, evident in the Group's constant drive towards service excellence at all levels of its operations.

Throughout the year under review, the Group had recorded several significant achievements in terms of quality. ISO certification was one of them. KPJ Ampang Puteri Specialist Hospital, KPJ Damansara Specialist Hospital, KPJ Selangor Specialist Hospital and KPJ Johor Specialist Hospital have been certified with the Integrated Management System, which integrates three management standards of ISO 9000 (Corporate governance and quality), OSHAS 18000 (worker health and safety) and ISO 14000 (environmental management), while nine KPJ hospitals have been certified with the ISO 9001: 2008 standards.

KPJ's commitment to quality is encouraged by the recognition accorded for its efforts, with the Group's hospitals receiving a multitude of awards for occupational and safety, management, human resource development and productivity.

In the areas of management and productivity, Puteri Specialist Hospital received the 2nd Global Award (Diamond Category) from Business Productivity Network on 24 January 2010 while KPJ Ampang Puteri Specialist Hospital took home the Productivity Award from MPC on 1 May 2010. The Business of the Year Award for the Service Provider category from SMI & SME Worldwide network went to KPJ Ipoh Specialist Hospital on 20 June 2010.

KPJ hospitals were also given recognition for its hospitality and service. KPJ Ampang Puteri Specialist Hospital bagged the Global Award for Perfection, Quality & Ideal Performance from Association Otherways Management & Consulting on 29 March 2010 while KPJ Selangor Specialist Hospital won the Service Excellence Award from Asia Entrepreneur Alliance on 14 October 2010.

The Malaysian Occupational Safety and Health Professional Association (MOSHPA) had also given its nod of approval to KPJ Damansara Specialist Hospital for the Occupational & Safety Award in August 2010.

Despite the glitter of awards, KPJ continues to remember the less fortunate. The Group nurtures a spirit of caring among its employees and demonstrates this by investing time and effort in developing a healthy community and to lend a helping hand to the underprivileged.

The network of Waqaf An-Nur Clinics (KWAN) continues to play a major part in KPJ's CSR initiative and reached another milestone in 2010 with the successful establishment of another three new KWAN clinics, namely, Klinik Waqaf An-Nur Gugusan Manjoi in Ipoh, Perak, and Klinik Waqaf An Nur Masjid Jamek Pekan Kajang and Klinik Waqaf An Nur Masjid Al-Falah USJ 9 in Selangor.

THE KWAN NETWORK EXPANDED TO

15 CLINICS

With that, the KWAN network expanded to 15 clinics operating in five states in Malaysia. The KWAN outreach, which includes a 30-bedded Hospital Waqaf in Pasir Gudang, Johor, today caters to the needs of more than half a million underprivileged patients per annum.

OPTIMISING ON INFORMATION TECHNOLOGY

To remain ahead in the industry, KPJ has put in place an integrated Information System (IS) linking the services within each KPJ hospital to increase efficiency and strengthen operational excellence, while greatly minimising risks resulting from human oversight. It also continuously taps the benefits of scientific discovery and sophisticated medical equipment by investing in the latest state-of-the-art facilities to ensure better treatment outcomes for patients.

CREATING VALUE THROUGH PEOPLE

KPJ believes that its innovative strategies will be sustained through its people. Its strategy to transform its employees into future leaders is also reflected in its investment in its people through the prescription of good work ethics, processes and protocols as well as to shape future leaders through training programmes and career development opportunities for those who have the drive to succeed in the healthcare industry.

AL-‘AQAR KPJ REIT

Al-‘Aqar which was listed on the Main Board of Bursa Securities on 10 August 2006, the first to be issued under Securities Commission’s Guidelines on Real Estate Investment Funds and Islamic Real Estate Investment Funds remains to be the one and only Islamic Healthcare REIT in the world.

Since listed, the number of properties has increased from six to twenty; owns a diversified portfolio of properties, started from specialist hospital and medical centre, commercial and retail, hotel, international standard nursing college and latest to its portfolio is the aged care facility and retirement living properties.

It offers yield accretion, competitive strengths, income and geographical diversification, increased liquidity and economies of scale to unitholders. The enlarged portfolio of Al-‘Aqar at a maximum occupancy with net rental income increased by 51% from year 2006 RM 33.6 million to RM 68.6 million as at 31 December 2010.

Another significant event to Al-‘Aqar since inception was on 22 September 2010 with the announcement to acquire Jeta Gardens Aged Care Facility and Jeta Garden Retirement Village from Jeta Gardens Waterford Trust.

Despite uncertainty in world’s economic and pre-emptive measures to maintain the Malaysia’s Islamic Capital Market, Al-‘Aqar Capital Sdn Bhd, a wholly–owned subsidiary of Al-‘Aqar through its paper of up to RM 300 million in nominal value of Ijarah Commercial Paper (ICP) and/or Islamic Medium Term Notes (IMTN) under the ‘Sukuk Ijarah Programme’ maintained to receive a favorable ratings of AAA, AA2 and AAA (bg) from the Malaysia accredited rating agency, Rating Agency Malaysia. These directly translate for Al-‘Aqar KPJ REIT to maintain its expansion portfolio via the lowest possible cost in utilised it in existing loan or part finance its acquisition.

FOODS AND QUICK SERVICE RESTAURANTS DIVISION

REVIEW OF OPERATIONS

All the Group's brands were strengthened in 2010. Restaurant chains were expanded. More customers were served with an even wider range of products. Further initiatives were undertaken to boost revenue and generate cost savings. And behind everything the Group achieved was a motivated and highly skilled workforce, ready and eager to rise to the challenges of a new decade.

Firm Foundations

QSR's success is built on the foundations of restaurant expansion, customer satisfaction and human capital development. Every year, these foundations are reinforced, strengthening them as the Group grows in size.

A more cautious approach to restaurant expansion was taken in 2010 due to the relative fragility of the region's economic recovery. However, this trend was bucked in Malaysia where Pizza Hut announced the opening of its' 200th restaurant while the KFC Malaysia team proudly reached and moved past the milestone of 500 restaurants nationwide. This is a fantastic achievement and one that the Group hopes to replicate in other countries. In India, the Group was operating seven restaurants by the end of 2010. These were spread across the cities of Pune, Mumbai and Aurangabad. The total included two acquired KFC restaurants in Pune.

PIZZA HUT

Pizza Hut Malaysia

2010 was a positive year for Pizza Hut Malaysia. Revenue grew by 11.3% to RM411.6 million from RM369.8 million in 2009. Growth can be attributed to an improving economy, the introduction of new products and effective promotional campaigns.

Pizza Hut Singapore

Pizza Hut Singapore achieved revenue growth of 8.4% to RM179.9 million from RM166 million from the previous financial year. This favorable performance was evidenced by an upswing in both the Dine-In and Delivery business segments. Success factors included the recovering economy, which led to higher discretionary spending among consumers, coupled with highly successful promotion strategies.

As of 31 December 2010, Pizza Hut Singapore opened two new stores with three closures, bringing the total to 49 operating restaurants.

PIZZA HUT REVENUE GREW TO

RM411.6 MILLION

KFC HOLDINGS (MALAYSIA) BHD (KFCH)

The economic stability enjoyed by KFCH during the year has resulted in a 9.8% rise in revenue to RM2,522 million, up from RM2,297.4 million in 2009. The KFC Restaurants segment registered growth of 9.5% to RM1,888.1 million, attributable to a wider store network, effective marketing and promotion activities. The Integrated Poultry segment achieved revenue of RM533.4 million, a 10.2% increase on the previous year.

KFC Malaysia

KFC Malaysia reported record amounts of revenue in 2010 at RM1,496.9 million, a 9.6% increase from 2009. The revenue would have been slightly higher had it not been for 47 outlets being temporarily closed for image enhancements.

The Group's ongoing restaurant image-enhancement programme continued with 47 restaurants being upgraded to improve ambiance. The programme is in line with the Group's commitment to provide the best possible brand experience for the Group's customers.

As of 31 December 2010, KFC Malaysia had opened 40 new outlets bringing the total to 515 restaurants nationwide.

KFC Singapore

Singapore's improving economy and increased levels of consumer spending helped KFC Singapore to achieve record high revenue of RM368.6 million, a 7.6% or RM25.9 million increase on the previous year.

As of 31 December 2010, KFC Singapore had opened 3 new restaurants with three closures, bringing the total number of stores across the island at 77.

FOODS AND QUICK SERVICE RESTAURANTS DIVISION
CONTINUED

KFC Brunei

In line with Brunei's improving economy KFC Brunei's year-end revenue increased to RM16.3 million, a 5.7% growth on 2009's figure.

As of 31 December 2010, the store count in Brunei remained consistent with previous year at 9 restaurants nationwide.

KFC Cambodia

The Group is particularly proud of KFC Cambodia's performance as it took in revenues of RM11.4 million, a 26.7% increase over the previous financial year. This was despite a still uncertain economy and heavy flooding that affected a number of KFC restaurants

KFC India

The Group is encouraged by the results of the first year of operations of KFC India. A total of RM6.2 million in revenue was generated from KFC restaurants operating in the cities of Mumbai, Pune and Aurangabad.

As of 31 December 2010, KFC India had opened 5 new outlets; 3 in Mumbai and one each in Pune and Aurangabad, with another 2 acquired outlets in Pune, resulting in a total of 7 operating restaurants.

RASAMAS & KEDAI AYAMAS

Reversing the trend of the previous year, revenue at RasaMas grew to RM24.9 million in 2010 a 7% increase on the previous year.

As of 31 December 2010, a total of 42 RasaMas stores were operating across Malaysia and Brunei.

Kedai Ayamas also had a positive year in terms of revenue, resulting in a 36% increase to RM55.1 million, up from RM40.5 million in previous year.

As of 31 December 2010, 14 new Kedai Ayamas stores were opened bringing the total to 49 across Malaysia.

INTEGRATED POULTRY OPERATIONS

An impressive year for the Group's integrated poultry segment led to a revenue increase of 7% to RM1,294 million, including intercompany sales.

Revenue from Ayamas Food Corporation Sdn Bhd (AFCSB) processing plants totalled RM710.5 million, a 3.5% increase from 2009. The rise was primarily due to higher volumes of orders from its expanding restaurant networks.

Turnover for the Feedmill division increased by 8.5% for the year. Manufacturing capacity tonnage also increased to 136,000 metric tons against 131,000 metric tons in the previous year, due to an increase in the Group's chicken requirements. The positive results were somewhat tampered by a 15%-20% jump in commodity prices in Q4, a development that the Group predicts will continue in 2011 due to unfavourable weather conditions in commodity-producing countries.

KFCH REVENUE RISE TO

RM2,522 MILLION

KFC Marketing increased its revenue by 10.7% to RM221.4 million for the year. The revenue growth was attributable to higher domestic open market sales of RM16.1 million and higher export sales of RM5.3 million, a 25.9% rise mainly due to increasing demand from Singapore and Brunei. KFC Marketing's "Ayamazz Roti Impit" hot dog kiosk business also contributed positively to the Group, both in revenue and CSR. 60 Roti Impit stalls were opened for business in universities, colleges and polytechnics around Peninsular Malaysia.

KFCH INTERNATIONAL COLLEGE

Currently, approximately 200 students are undertaking studies at the Puchong campus of KFCH College. The college's syllabus covers Hotel Management, Business Administration, Early Childhood Education, Information Technology and Electrical and Electronics Engineering. A number of graduating students will be offered employment within the Group. Upgrading works are underway at the campus which will result in sweeping infrastructural improvements, while a new syllabus more closely tied into the Group's core business is under review from the Malaysian Qualifications Agency (MQA).

HUMAN CAPITAL DEVELOPMENT

The Group attaches great importance to developing the abilities of its employees. Human Resources teams across the Group and its subsidiaries run a range of programmes to achieve this, and the programmes cover every level of the workforce, from senior management to crew members. In 2010 the Group invested approximately RM7.3 million in training and development. Employees received an average of 54 hours of training per person. As of 31 December 2010 the Group employed about 31,000 staff.

HALAL COMMITMENT

QSR and its subsidiary companies provide strict halal-compliance guarantees in all their markets. To help the Group achieve compliance, QSR adhere to a stringent set of controls across the entire chain of food manufacturing processes, from raw materials procurement and manufacturing to packaging, storage, transportation and utensils. Imported products must be halal-certified within their source country, and foreign suppliers are regularly inspected by officials from the Group's Shariah Advisory Council.

LOOKING FORWARD

At the end of a year of exceptional operational performance across the board, Group morale is high and look forward with excitement and determination to achieving renewed progress in the year ahead. Given the Group's strong fundamentals and proven track record, the Group expects to see further growth throughout its operations and markets.

PROPERTY DIVISION

THE PROPERTY DIVISION IS ANOTHER ONE OF JCORP'S CORE BUSINESS DIVISIONS LED BY TWO COMPANIES NAMELY JOHOR LAND BERHAD (JLand) AND DAMANSARA ASSETS SDN BHD (DASB).

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 are uncertainties in the property market, has been 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 latest development 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.

Bandar Dato' Onn debut project, Neighbourhood 10, comprises 662 units of prestigious double storey terraced houses and double storey semi-detached houses were launched in 2007. All the housing units were completed and more than 90% handed over to purchasers.

In December 2010, the Company launched the first phase of Neighbourhood 11 which comprises 198 residential units and Neighbourhood 2 which comprises 21 commercial units with a total gross development value of RM275 million.

On the other hand, JLand's on-going projects, Taman Bukit Dahlia and Taman Bukit Tiram also contributed 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.

PROFIT BEFORE TAX **JLAND** HAS INCREASED BY

61.6%

For the period ended 31 December 2010 JLand recorded revenue at RM135.6 million compared to revenue of RM203.9 million in 2009. This performance was attributable to lower sales and progress billings from JLand's core property projects. However, profit before tax has increased by 61.6% from RM25.2 million to RM40.7 million compared to the same period last year. The Company recorded higher margin from sales of shopoffices and commercial land in 2010.

The quality of JLand's balance sheet has improved as the net tangible assets grew to RM697.1 million in 2010, against RM673.6 million recorded in the previous year.

DAMANSARA ASSETS SDN BHD

DASB's role focuses on development and management of commercial properties which consists of shopping complexes, office building, transport terminal and others located in Kuala Lumpur and Johor Bahru as follows:

Shopping Complexes

- Office Buildings
- Plaza Kotaraya
- Larkin Sentral
- @mart Community Hypermarket
- Taman Dahlia Commercial Centre
- KOMTAR

Town Centre

- Menara Johor Corporation
- Menara KOMTAR
- Menara Ansar
- International College at Bandar Dato' Onn

Transport Terminals

- Larkin Sentral
- Kotaraya Sentral Bus Terminal
- Tanjung Leman Jetty

PROPERTY DIVISION
CONTINUED

Despite its commercial orientation, the involvement of bumiputera in business remains the topmost priority to JCorp as their involvement in business is constantly improved through offerings of commercial spaces.

KOMTAR – International Iconic Shopping Piazza

In tandem with State Government plan to develop Johor Bahru as Metropolis of International Standing, JCorp has planned a re-development program for KOMTAR, transforming it into an 'iconic building' that will become a landmark and symbolize Johor Bahru as an international standard city.

That earnest aspiration will be translated through the branding of KOMTAR with the objective to provide shopping satisfaction and become a catalyst to the tourism industry. Themed 'Refreshingly Delightful, Simply Cosmopolitan', the complex will have 365,000 sq. ft. of space available for rent. The re-development project is actively being carried out and will be ready by 2013.

Making it as an international shopping complex will require design, facilities of international standards and most importantly, the retailers. Bumiputra traders that had attained international level will be given the opportunity to thrive and prove their international competing ability at this shopping complex.

@mart Community Hypermarket

DASB had invested RM33 million for construction of a 'Clean Fresh For All' hypermarket knows as @mart Hypermarket on a 12 acres land at Kempas, Johor Bahru. The hypermarket houses a supermarket, 4 mini anchor lots, 47 market lots, 100 shoplots for various products, 42 kiosk and 14 restaurants. It will cater the populations of Taman Cempaka, Taman Dahlia, Taman Bukit Kempas, Taman Johor and other nearby communities.

KFCH International College at Bandar Dato' Onn

DASB spent RM15 million to construct a new office block in Bandar Dato' Onn. Construction was completed in August 2010. It was originally planned for JCorp's new office but was later let to SPM Restaurants Sdn Bhd in October 2010 to operate as KFCH International College.

DASB COMMERCIAL PROPERTY DIVISION'S REVENUE INCREASED BY

11%

KFC Restaurant at Tanjung Leman

The construction of KFC restaurant at Tanjung Leman was completed in November 2010. Costing RM1.5 million, the new outlet faces the South China Sea and featured a tower as a landmark and guide to boats or ferry. Its existence is expected to increase the usage of Tanjung Leman jetty by tourists heading for Pulau Sibu and the surrounding islands.

Larkin Sentral Transformation

Supporting Malaysian Government Economic Transformation Programme, DASB have implemented Larkin Sentral upgrading works to accommodate travelers and traders needs. The upgrading works involve constructing infrastructural facilities such as bridges linking the main building with KFC restaurant, Jalan Garuda parking space, Plaza Larkin and transport terminal.

On top of that, the upgrading of the food court was also done involving lighting aspects, aeration and stall layout costing RM880,000. The food court area houses 75 outlets including 25 non-halal outlets.

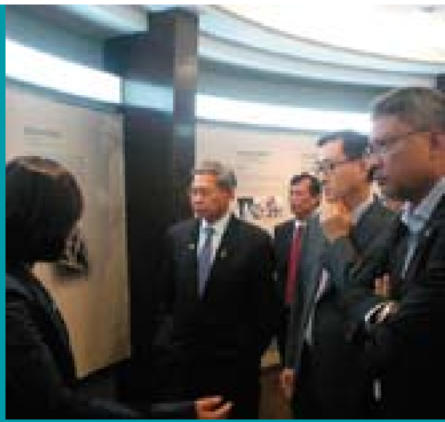
Upgrading works also covered the wet market area. A total of 242 wet market units has been upgraded for customer convenience by having wider business and pedestrian space and also efficient ventilation system.

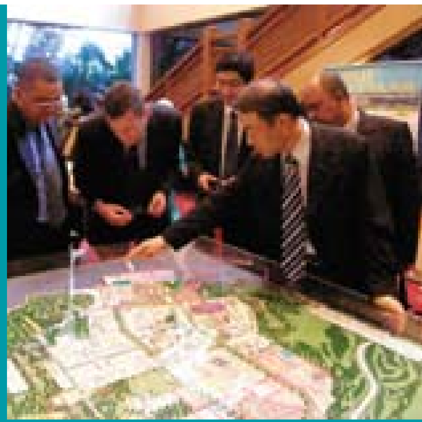
Financial positions

DASB Commercial Property Division's revenue increased by 11% from RM18 million in year 2009 to RM20 million in year 2010. However, net profit before tax declined slightly from RM12 million to RM11 million due to the increase of financial cost for new project financing.

At DASB Group level, 2010 turnover dipped 5% from RM154 million to RM146 million. Increase in operation and financial cost have resulted in the Group's net profit before tax to decline from RM27 million in year 2009 to RM20 million in year 2010.

PROPERTY & LOGISTIC SERVICE DIVISION





TPM TECHNOPARK SDN BHD

TPM Technopark Sdn. Bhd. (TPM) is JCorp's wholly own subsidiary with core business of project management of various property developments and marketing agent for industrial estates owned by Johor Corporation.

For the year 2010, TPM Technopark Sdn. Bhd. has sold 122.3 hectares of JCorp's industrial land worth RM176.3 million. The sale of industrial land in 2010 had increased compared to the same period in 2009 because of investors' confidence towards JCorp's industrial land and impact of the initial recovery of world economy.

As a marketing agent for JCorp, TPM 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 organized 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 Sdn. Bhd. is developing Sedenak Industrial Park with total land area of 283.3 hectares. 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 JCorp Group projects among others including the upgrading and reconstruction of Tun Abdul Razak Complex (KOMTAR), the construction of Academy Jcorp in Ulu Tiram and the development of Paramount International College in Bandar Dato' Onn, Johor Bahru. TPM is currently managing projects worth RM265 million.

Apart from that, other projects undertaken by TPM Technopark Sdn. Bhd. include the development of religious schools for Jabatan Agama Islam Johor. Currently TPM Technopark Sdn. Bhd. is in the process to complete 2 secondary religious schools projects worth RM3.4 million.

Until December, 2010, TPM Technopark Sdn. Bhd. has completed 22 projects worth RM121.7 million. Amongst the major projects that have been completed are dredging work at Tanjung Langsat Port, multi purpose hall in Taman Kota Masai & Kampung Kopok and three religious schools in Kota Tinggi, Batu Pahat and Kulai.

PELABUHAN TANJUNG LANGSAT

Tanjung Langsat Port (TLP) is blessed with the nation's ambitious vision to embark in the Economic Transformation Program to establish Malaysia as a major hub for oil and gas. These programs have identified twelve (12) National Key Economic Areas (NKEA) that include oil and gas sector. TLP as the niche port for liquid bulk cargo handling and dry bulk cargo will be an essential part of the transformation program. The government through Performance Management Delivery Unit (PEMANDU) and State Planning Economic Unit has allocated RM17 million for the development of the infrastructure works inclusive of dredging for inner berth 7 amounting to RM10 million, construction of coastal road from Kiswire to Asiaflex amounting to RM5 million and building of pipe racks connecting LgT-2 to common pipe rack amounting to RM2 million.

THE GOVERNMENT HAS ALLOCATED **RM17 MILLION** FOR THE DEVELOPMENT OF TLP INFRASTRUCTURE WORKS

The core business of Tanjung Langsat Port is to serve the 1,619 hectares of industrial land of Tanjung Langsat Industrial Complex which is situated immediately behind the designated port area. TLP has successfully built five liquid cargo berths and 2 dry cargo berths capable of handling vessels from 5,000 dwt to 120,000 dwt. Its draft ranging from 5 meters to 15.5 meters and approach channel of 12.8 meters with tide variation of up to 3 meters with shoreline of 4.5km is adequate to handle the 1,619 hectares of industrial land. The construction of this wharf is also to provide facilities services to Asiaflex Products Sdn Bhd (Technip) and Kiswire Neptune Sdn Bhd (Kiswire) which both produce the oil and gas products. Technip will be producing flexible pipes while Kiswire will produce steel wire rope.

Langsat Terminal One Sdn Bhd (LgT-1) ia a joint venture company between MISC, Dialog and PUMA (a subsidiary of Trafigura). The tank terminal has a storage capacity of 400,000 metric tons whereby 130,000 metric tons is for naphta and middle distillates and 270,000 metric tons is for fuel oils. The storage tanks for naphtha and middle distillates have commenced operation in September 2009 while the first vessels for fuel oils was in April 2010. The status of the development phase 3 of LgT-1 with the capacity of 70,000 metric tons is expected to be completed in the second quarter of year 2011, while LGT-2 with the capacity of 170,000 metric tons is expected to be operational before the end of year 2011. The overall capacity for both LGT-1 and LGT-2 was 640,000 metric tons which will generate 12.5 million metric tons annually of petroleum products at liquid cargo jetty.

PROPERTY & LOGISTIC SERVICE DIVISION
CONTINUED

Meanwhile, the flexible pipes plant project worth RM500 billion by Asiaflex Products Sdn Bhd (APSB) has been completed and was officially opened on 25th November 2010, by the Prime Minister of Malaysia, YAB Dato' Sri Mohd Najib Tun Abdul Razak. The fact that Technip's decision to locate the plant in Malaysia proved that the country was recognized as a hub for deepwater oil and gas companies like Conoco Philips. APSB has succeeded in handling the 3,500 metric tons of cargo owned by Technip which mainly on the oil and gas based at the dry cargo jetty in the fourth quarter of year 2010.

Asiaflex had intention to expand their business to produce high-tech products, namely manufacturing the umbilical. Construction of an additional plant is estimated at RM200 million. The Company also plans to build the plant to produce spool base at TLP in the future.

For the year 2010, TLP has handled 222 liquid bulk cargo ships with a throughput of 4.8 million metric tons compared to last year only 28 vessels with a throughput of 641,500 metric tons. There is also an increase in the hours of operating wharf from 1,284 hours last year to 8,565 hours this year. The charge from the dockage and wharfage activities shows that the amount collected is RM11.5 million. This charge does not include the charge for other support activities.

The major contributor for 2010 is LGT-1 with a total of 188 vessels or 85% with a throughput of 4.7 million metric tons cargo. Meanwhile Asiaflex is the second contributor with eight percent (8%) from the overall ships. These operation include the total of 12 vessels in loading operation for import while 23 vessels in discharging operation for export which involves the whole amount managed to be handled is 641,500 metric tons. Meanwhile Langsat Bulkers Sdn Bhd (LBSB) brings in seven (7) vessels with 64,000 metric tons in which 56% come from the discharging of goods and the rest is loading of cargoes.

According to statistics, LGT1 handled almost 526,000 metric tons of bulk liquid consisting of various grades of petroleum product such as gasoline and naphtha while 104,400 metric tons CPO has been handled by LBSB through TLP jetty and only 11,000 metric tons involving operation at TLP oil terminal.

For the lay-up activity and the float repair, TLP has succeeded in handling 20 vessels consisting of semi submersible rig, jack-up rig, product tanker, supply boat, general cargo ships and others. For the support activities, TLP had handled 254 ships which involved 46,099 metric tons of fresh water supplies.

It is estimated that TLP has succeeded in creating job opportunities to 1,400 people.

LANGSAT MARINE BASE SDN BHD

Langsat Marine Base Sdn Bhd (LMB) was incorporated in 2009 to provide services to oil and gas contractor through providing land and marine services to support their activities. The formation of the company is in line with the government of Malaysia's vision to transform Johor as hub for the oil field services and equipment (oil field services and equipment – OFSE).

The operation of Langsat Marine Base (LMB) has officially started on the 18 November 2010 with 'offshore supply vessel' (OSV) activities at Berth 7. It is from than on that the offshore activities will be carried through by LMB.

For the year 2010, LMB activities will be involved in handling and storing of offshore equipment, float repair, rental of equipment, providing yard and support equipment and the lay-up activities.

For the year 2010, 4 different types of vessels included `OSV", semi submersible rig, product tanker and jack-up rig has been handled by LMB successfully. There are a lot of enquiries to utilise their facilities but due to restricted area LMB has to reject the request.

In the year 2010, LMB has planned to dredge the 'inner basin' berth-7 and building of additional 'bollards' dan 'fender' to accomodate more incoming vessels. It is projected that the operation of LMB will run smoothly at the Q4 2011.

DAMANSARA REALTY BERHAD

For the year ended 31 December 2010, the Damansara Realty Berhad (DBhd) Group's total revenue improved 133% to RM63.2 million from RM27.2 million in 2009. DBhd Group's turnover comprises revenue contributed by property development activities of RM55 million (87%), construction activities of RM2.1 million (3.3%) and healthcare services of RM5.9 million (9.5%).

Despite the improvement in the total revenue, DBhd Group recorded a loss after tax of RM8.2 million compared to a profit after tax of RM1.2 million in 2009. The substantial loss was mainly attributed to the RM10.1 million one-off provisions for doubtful debt as well as on impairment on assets.

During 2010, DBhd Group has implemented measures with an objective of improving its financials. Throughout the year, they managed to reduce approximately RM7.4 million of its liabilities. With a comprehensive strategy, it is envisaged that by mid 2011, DBhd Group will be able to repay entirely its bank borrowings of about RM25.5 million.

OPERATION OVERVIEW

Property Development Division

Property development activities in Taman Damansara Aliff (TDA) contributed a total of RM24.6 million in revenue primarily from land sale activities (RM18.7 million in revenue) while progress billing of Aliff Puteri (Sub-Phase 1) contributed RM5.8 million. The Aliff Puteri houses was completed and handed over to the purchaser in October 2010.

Bandar Damansara Kuantan (BDK) development activities have become dormant for the past few years due to softer demand towards Kuantan property market. Nevertheless, during the year under review, BDK recorded a total revenue of RM30.4 million from sale of land and vacant shop office lots.

Construction Division

In 2010, construction division contributed a total of RM2.1 million in revenue from the construction contract for the development of low-cost houses in Sri Gading for Syarikat Perumahan Negara Berhad.

Healthcare Division

Healthcare related services contributed a total of RM6 million in revenue to the Group with a bulk of revenue coming from its 70% subsidiary, namely Healthcare Technical Services Sdn Bhd (HTS).

HTS is currently managing a total of 13 hospital projects at the development stage worth a total of RM343.8 million. It is also managing 15 hospital projects at the planning stage with a total project value of RM432.4 million.

PROSPECTS

With a comprehensive strategies and planning, the Group managed to substantially reduce its borrowing amount. Over the past 5 years, total borrowing has fallen from RM49.5 million in 2006 to RM25.7 million in 2010. It is anticipated that by mid 2011, the entire RM25.7 million borrowings of the Group will be fully repaid. In addition, the Group has also implemented an austerity drive programme which has resulted in a reduction of the Group's annual staff related expenses and administrative costs from RM12.9 million in 2008 to RM9.3 million in 2010.

Accordingly, the Group has successfully implemented its rehabilitation as the Group's financial conditions have improved considerably. The Group is now embarking on its next phase which is the improvement of the existing businesses as well as the introduction of new business.

PROPERTY & LOGISTIC SERVICE DIVISION
CONTINUED

ASIA LOGISTICS COUNCIL SDN BHD

Asia Logistics Council Sdn Bhd (ALC), an MSC Status company, commenced its operations since February 2008 and operates at Level 45, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre (KLCC), Kuala Lumpur.

Based on a Revenue Sharing Agreement that ALC had entered with World Logistics Council Inc (WLC) on February 5th 2008, ALC has agreed to assist WLC in the global deployment of a "Digital Soft Infrastructure (DSI)" that would revolutionize the conduct of global trade. This digital soft infrastructure is presented through a global initiative towards the development of sustainable economic growth by improving global efficiency in trade related logistics and enhanced cargo security. The initiative known as the "HumaWealth Programme" is led by Global Coalition for Efficient Logistics (GCEL), a Swiss-based not-for-profit Public/Private Partnership, with members and supporters to-date including more than 99 governments, 24 NGOs as well as many of the world's leading finance, insurance and technology firms, with a total manpower of 2.7 million servicing 60% of the world's GDP in 130 countries. Both ALC and WLC are members of the GCEL.

At the heart of the DSI, is the use of an open platform technology called the Global Logistics System (GLS) that delivers significant new efficiencies to the industries associated with trade – operations, logistics, finance, insurance – all at ZERO cost to end users including Small and Medium Enterprises (SMEs).

PROVIDE

USD6 TRILLION

MARKET OPPORTUNITIES

Thus the HumaWealth Programme benefits delivered through the deployment of the DSI amongst others include:

- Reduced landed import and export costs from world average 11% to 6%, saving USD691 billion annually, USD194 billion to Asia and USD8.9 billion to Malaysia alone, at zero cost to end users.
- Maximize present physical logistics infrastructure capacity utilization as well as reduce trade costs by up to 30% and operation costs by up to 15%, thereby generating increased trade volume commitments to attract billions of dollars of infrastructure and foreign direct investments.
- Secure borders and flow of trade against cargo terrorism.
- Provide USD6 trillion market opportunity by 2020 for finance, insurance and technology industries.
- Combine expertise with youthful labour forces, thus supporting millions of new jobs in developed and developing countries.
- Increase the buying power of the mid income countries that represent 45% of the world population creating major global market expansion.

In the year under review, ALC had continued its momentum in creating awareness, gathering support and building consensus, on the Global Strategy Solution through the HumaWealth Programme, among selected public and private organizations in major economies within the Asia Pacific region.

Pursuant to a number of strategic meetings with selected organizations in this region, ALC had successfully held the inaugural HumaWealth Awareness Event in Jakarta Indonesia, on 5th April 2010. The event was co-convened by the Indonesian Chamber of Commerce and Industry (KADIN), and the Indonesian Central Bank (Bank Indonesia) Deputy Governor, Bapak Muliaman Hadad, had delivered his keynote address. Subsequent to that, ALC and GCEL had again managed to convene other strategic meetings and most significant among that was the meeting with the Asia Pacific Economic Cooperation (APEC) Executive Director, Ambassador Mohamed Noor Yacob and his team, in Singapore on 21st May 2010. The meeting with APEC had then led ALC to a most opportune relationship with the ASEAN Business Advisory Council (ASEAN-BAC) such as that on 27th and 28th October 2010, at the 2010 ASEAN Business and Investment Summit in Hanoi Vietnam, GCEL and ASEAN-BAC had been given the opportunity to present a joint white paper to the ASEAN Ministers and leaders.

The paper presented a roadmap providing an overall emphasis on growing trade and making SMEs more competitive towards the integration of ASEAN economies, which had received full support from the ASEAN ministers, as reported by the ASEAN-BAC Chairman Dr. Doan Duy Khuong.

Following the first successful HumaWealth Awareness event in Jakarta, Indonesia, ALC and GCEL had also successfully organized similar events in the Asia Pacific region namely in Mumbai India on 31st July 2010, Singapore on 9th September 2010, Da Nang Vietnam on 23rd August 2010, and Malaysia on 12th October 2010. Public sector officials, industry associations and regional executives from finance, insurance and technology firms were invited to learn more about the HumaWealth Programme benefits and to prepare their executive teams for attending the HumaWealth Genesis event later this year.

Through these awareness events that were generally co-convened by the Chambers of Commerce in the country and related business associations, ALC had been successful in igniting fervent interest among the attendees which had in turn led to the identification and selection of suitable partners to participate in the regional Benchmark Trade Lanes (BTL) Deployment.

This was signified through the signing of Memorandum of Understanding (MOU) with the countries who have recognized the value that the GCEL HumaWealth Programme offers and had taken the bold step to lead their countries' participation in the BTL Deployment. After the MOU signing with Indonesia KADIN last year, GCEL had on 13th December 2010, signed another MOU with the Confederation of Indian Industries (CII) to officially record their participation in the BTL deployment, and thus completing the Asia First Benchmark Trade Lane, connecting Indonesia to India, and triggering the Asia region deployment phase.

Whilst the campaigns in the Asia region have come to a close, making way for the commencement of the Asia First BTL deployment, GCEL has now focused its campaigning in the other three regions of the world that is Middle East and Africa, Americas and Europe, with a target to hold at least 4 HumaWealth Awareness events in each region, and to ultimately culminate into the HumaWealth Genesis Event, to be held at the UN Palais des Nations, Geneva before the end of 2011.

HOSPITALITY DIVISION

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 – a 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, Hotel Selesa Pasir Gudang and Selesa Beach Resort in Port Dickson.

The Puteri Pacific Johor Bahru is the Premier Business & Convention Hotel in town and is a well-known business venue for meetings, conferences and special events. The Puteri Pacific Johor Bahru has 464 guest rooms, suites and full-service apartments, located in the centre of Johor Bahru with easy access to Singapore via the Causeway. The Puteri Pacific Johor Bahru has received The Diamond Award for Best Accommodation from Johor Tourism in the recent Johor Tourism Award 2010.

Persada Johor International Convention Centre is the first purpose-built convention centre in Johor and southern side of the Penisular Malaysia. Persada Johor offers an integrated and self-contained experience that will cater to innovative and creative conferences, meetings, events, exhibitions and weddings. Winner of the 2007 FIABCI Malaysia Property Award Specialised Project Category.

The centre has an extensive range of venues and facilities to cater for meetings of 10 persons to conferences of 3,500 delegates or exhibitions of 300 booths.

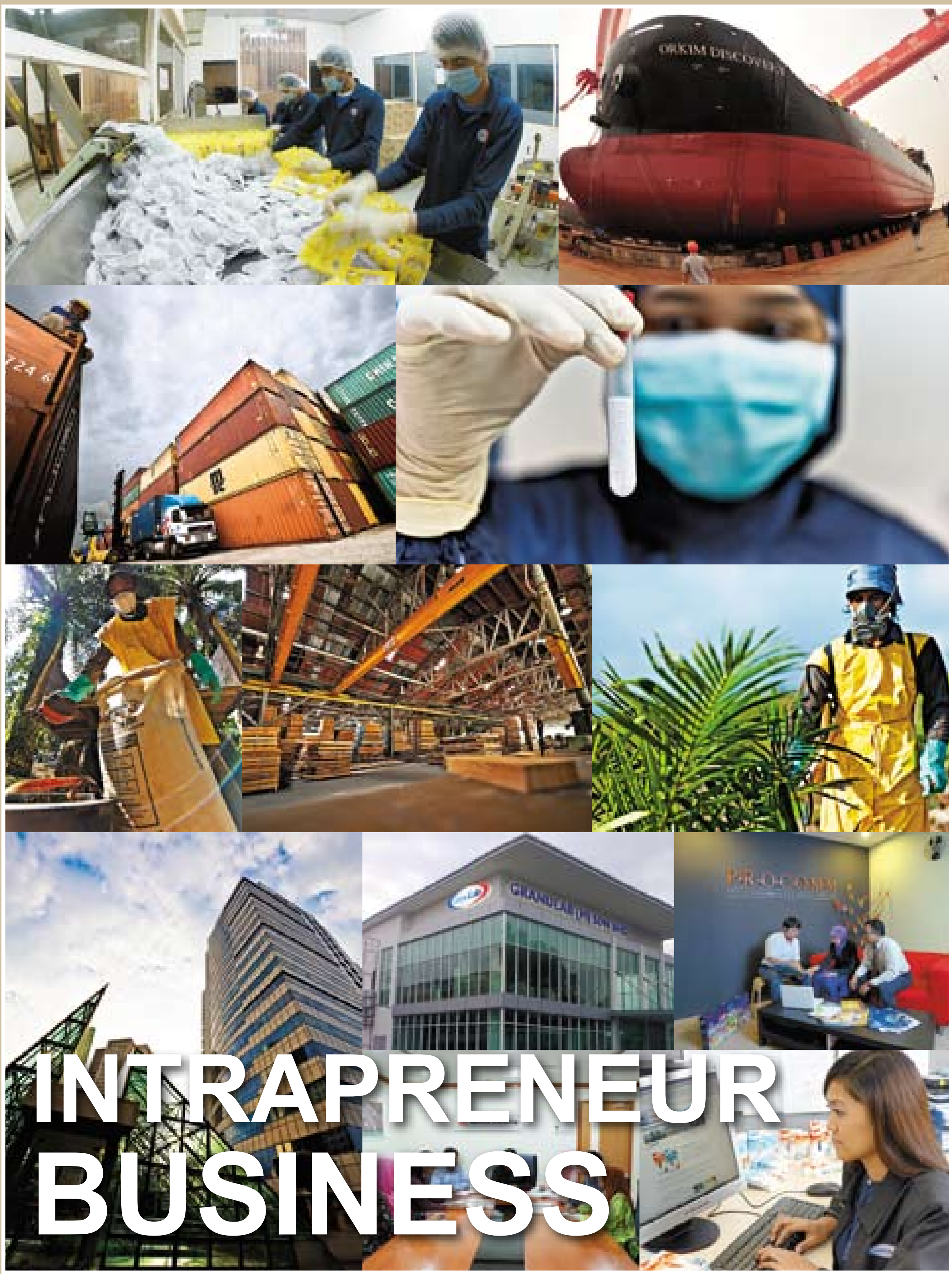
Sibu Island Resort which is located off the East Coast of Johor was reopened for business from January 2009 after undergoing renovation and upgrading. The renovation work was geared towards the compliance of standard requirements for an international resort. Some of the elements in the resort include 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.

Hotel Selesa Johor Bahru and Hotel Selesa Pasir Gudang located only minutes away from Singapore. Another resort property of the Hospitality Division of JCorp, Selesa Beach Resort Port Dickson 213 units of guests room available with private balconies and easily accessible from its vantage position, being just 45 minutes away from KLIA and 1 ½ hour leisurely drive from Kuala Lumpur and Malacca via the North-South Expressway. Its unique Minangkabau architecture further enhances Negeri Sembilan's rich cultural history and provide perfect escapade from the hustle and bustle of Kuala Lumpur.

JCorp Hospitality Division is aggressively promoting its properties to further improve the division's financial performance by participating in tourism fairs and promotions organized both at local and international levels by collaboration with Johor State Tourism Department as well as Tourism Malaysia and Malaysia Convention and Exhibition Bureau.

SECTION 6

INTRAPRENEUR BUSINESS



INTRAPRENEUR BUSINESS

INTRAPRENEUR BUSINESS

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 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 twelfth 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.

INTRAPRENEUR BUSINESS
CONTINUED

As at 31 December 2010, there were 84 Intrapreneur companies with aggregate sales of RM675.3 million and a combined profit before tax of RM18.9 million. JCorp recognises excellent and high achievements shown by intrapreneurs. The "One Million Club" recognitions which were introduced by JCorp to distinguish those intrapreneurs who are able to achieve targeted profit before tax more than RM1 million, is an objective measurement approach in recognizing intrapreneurs' achievements. Altogether there are 11 intrapreneur companies who have achieved this target since the introduction in 1999, with 4 companies achieving it in 2010. They are Orkim (M) Sdn Bhd, Institut Pembangunan Dan Pengurusan Johor Sdn Bhd, Syarikat Pengangkutan Maju Berhad and Kulim Nursery Sdn Bhd.

The implementation of JCorp Intrapreneur Scheme took into consideration the current global business scene. The current equity divisions which require a minimum 75% equity holding by JCorp or Group are no longer in force. Consideration is also given for equity holding by third party, which is subject to criteria set by JCorp. These changes are aimed to provide a platform for Intrapreneur companies to venture globally.

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.

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. This is also further complemented by seeking and inviting potential and eligible entrepreneur surely helped to expedite the growth and expansion of the scheme.

INTRAPRENEUR BUSINESS
CONTINUED

EA TECHNIQUE HAVE SHOWN A CONTINUOUS PROFIT OF RM5.8 MILLION

SHIPPING AS THE CORE BUSINESS OF SINDORA THROUGH EA TECHNIQUE (M) SDN BHD

The Group's involvement in the shipping industry is spearheaded by EA Technique (M) Sdn Bhd (EA Technique) which was established in 1993 and acquired in 2006. It has expanded by leaps and bounds into a corporate entity with current paid-up capital of RM44 million. The completion of 51% equity acquisition of Orkim Sdn Bhd (Orkim) by Sindora and EA Technique on 31 January 2011 has enabled the Group to emerge as the second biggest shipping company in Malaysia under the clean petroleum product tanker category after Malaysian International Shipping Corporation (MISC) owned by Petronas.

Year 2010 witnessed reputable shipping companies consolidating their activities to strengthen their business performance by scaling down operations, disposing old vessels and cancelling orders for newly built ships. Even though the world's crude oil price had remained firm throughout the year, the international shipping market continued to suffer from an oversupply of tanker capacity which had led to depressed charter rates.

In a calculated move to strengthen its position and ensure favourable long term prospect, the company continued its expansion strategy through organic growth, and merger and acquisition (M&A). Acquisition of 51% majority stake in Orkim on staggered basis is carried out through 20% direct interest by Sindora and the remaining 31% by EA Technique. The final 1% equity acquisition was completed in January 2011, thus, Orkim became a subsidiary of Sindora Berhad beginning February 2011.

The company was also awarded four (4) long term contracts of 10 years with an option of three annual renewals to provide harbour tug boats and utility boats for Sg Udang Port Sdn Bhd by end 2011, with total investment of RM63.5 million. These new contracts are expected to generate revenues of RM13.9 million per year. This project will be financed via Internally Generated Funds (IGF) and external borrowings. Upon completion in late 2011, EA Technique will own 13 support vessels with projected annual revenue of more than RM40 million.

In tandem with the expanded capacity, the Group's revenue is projected to increase substantially from RM63.3 million recorded in 2007 to more than RM200 million in 2011. This will allow the Group's shipping business to expand its operations and emerge as one of the major players in Malaysia.

Fleet of vessels of EA Technique Group is as follows:

Table: Summary of EA Technique's fleet of vessels

Vessels	Units	Operational	Sea Trial/Under Construction
Tankers	15	15	-
Support Vessels			
Harbour tugs	6	2	4
Security boat	1	1	-
Off-shore crew boat	2	2	-
Mooring boats	4	4	-
Total	**28**	**24**	**4**

PRO OFFICE (M) SDN BHD AS THE NATIONAL PREFERRED SERVICE PROVIDER FOR DATA AND DOCUMENT PROCESSING

Pro Office (M) Sdn Bhd (Pro Office) continues to perform well despite an extremely competitive business environment where major clients imposed stringent requirements and expecting very competitive rates. Nevertheless, despite the demanding nature of the business, the company was able to consistently meet or exceed customers' expectations thus enhancing its reputation as one of the top service providers in the country. This has led to high level customers' loyalty and attract new reputable clients.

INTRAPRENEUR BUSINESS
CONTINUED

Pro Office is a Business Process Outsourcing (BPO) company that provides total solutions in the Data and Document Processing (DDP) industry. The company 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 agencies. DDP includes services that ranged 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 to include other value added services such as Mailroom Management, Direct Marketing, Handmail/ Admail and Courier/Parcel Services.

The company has expanded its operations and 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 since it started its business in 1990 due to strong business fundamentals coupled with the entrepreneurial capabilities and commitment of the Intrapreneur-Manager. The volume of work which is almost double of what is registered five years ago, is a testament to Pro Office's reputation as a reliable bulk mailing operator.

Table: Contribution by Market Segments in 2010

Market Segments	Revenue (RM '000)	% contribution
Telecommunication	14,710	44
Banks/Financial Institutions	8,403	25
Trust Funds	4,722	14
Others	5,790	17
Total	33,625	100

In an effort to diversify and enhance its earnings base as well as seeking new business opportunities to generate and add value from its present activities, Pro Office has entered into the business of supplying stationeries such as business cards, envelopes and letterheads. In cognisance of the challenging competitive bulk mailing business, Pro Office continues to explore new initiatives that are synergistic to its current services. The company is actively reviewing various possible options including collaboration, mergers and acquisition of synergistic and complementary businesses to enhance its competitiveness, performance and sustainability.

PRO OFFICE PROFIT AFTER TAX RAISED TO

RM33.6 MILLION

The company had also established a new disaster recovery centre in Selayang, Selangor that will ensure uninterrupted services to its clients and generate more business to the company. The establishment of the disaster recovery centre has created additional capacity which can be utilised to generate more revenues. Purchase of new state-of-the-art equipment is also in the pipeline to enhance its performance and meet its customers' expectation.

Pro Office was awarded Ethical Business Excellence Award 2010/2011 (Medium Company Category) by the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) on 9 December 2010.

METRO PARKING GROUP AS A REGIONAL PLAYER

Car park management is a highly competitive industry where a bulk of the market is controlled by a handful of renowned operators. Apart from that, the industry is rife with property owners managing their own parking lots. Despite these challenges, major car park operators are experiencing steady growth because of the ever growing property market in the region especially in countries such as China and India.

Metro Parking Group (Metro Parking), a 75% owned subsidiary which is the flagship parking company of Sindora Group, is involved in car park management and provision of car park consultancy services. Provision of car park consultancy services for property owners encompasses studies on traffic flows, design of efficient car parks and selection of suitable car park equipment.

The company was incorporated in March 1991 and has established itself as a truly multi-national corporation after nearly 20 years in operations. It has aggressively expanded its business operation not only in Malaysia but also to other countries namely Singapore, Brunei, the Philippines, Hong Kong and India.

The Group's strong growth was supported by its highly reputable brand name and high standard of customer delivery, which resulted in improving the Group's domestic market share to 27.2% with 111 car park contracts secured at the end of 2010.

In 2010, Metro Parking (M) Sdn Bhd received two prestigious Awards during the 4th Business of The Year Award organised by SMI & SME Worldwide Network. The awards were as follows:

- "Corporate Leader of the Year" to En. Halmi Jasmin, Group Managing Director, Metro Parking Group

- "Service Provider of the Year" to Metro Parking (M) Sdn. Bhd.

Other awards received by Metro Parking Group during the year were:

- 1Malaysia Entrepreneurs Award by Economic and Entrepreneurs Development Bureau of UMNO and The Leaders magazine

METRO PARKING PROFIT AFTER TAX INCREASED TO

RM2.4 MILLION

INTRAPRENEUR BUSINESS
CONTINUED

- Best Brand in Product Branding, Best Brand in Services - Parking Management and Consultancy in The BrandLaureate - SME's Chapter Awards 2010

- *"Anugerah Kecemerlangan Perniagaan Beretika 2010/2011"* by Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC).

Not to be outdone, the Singapore counterpart also received another Excellent Service Award 2010 on 11 November 2010 from the Singapore Government.

The company's immediate target is to strengthen its operations and profitability by securing more lucrative contracts and increase its market share particularly in the Philippines and India as the market in these countries has remained largely untapped and require low entry cost.

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 major clients include major shipping companies with international affiliation such as Mediteranean Shipping Line Co. (M) Sdn Bhd, China Shipping (M) Agency Sdn Bhd, Antara Steel Mills Sdn Bhd and FPM (M) Sdn. Bhd. The company's containers' yard which covers an area of 14 acres, leased from Johor Logistics Sdn Bhd, has the capacity to handle 15,000 TEUs per month.

At present, the company owns seven units of prime movers and 44 units of trailers at an investment of RM2.5 million. 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. The haulage business is identified for a sub-intrapreneurship scheme to ensure its continued growth and performance.

INVOLVEMENT IN BIOTECH SECTOR THROUGH MICROWELL SDN BHD

Sindora's involvement in the biotech sector specifically in bio-fertilisers is through 60% equity acquisition of Microwell Sdn Bhd (Microwell), concluded on 24 April 2010. Microwell offers bio technology-based fertilisers product range that are produced from biological wastes, are environmentally friendly and do not contain chemicals which are detrimental to the environment and used to improve the soil fertility. Micro-organisms in the bio-fertilisers produce organic nutrients which are extremely efficient in enriching the soil and protect the palms from harmful diseases such as Ganoderma, which is prevalent among oil palm plantations throughout Malaysia. Currently, the

company has successfully formulated its own bio-fertilisers under the brand name GroAgro 1 – GroAgro 4, which are pending patent trademarks. Trial runs on the bio-fertilisers were conducted for the past two years and the results have been promising.

The acquisition of Microwell has been another milestone in Sindora's Intrapreneur Venture Business approach, which involves the acquisition of equity interests in profitable and viable companies. Simultaneously, this approach has helped entrepreneurs with huge potential but lack capital and corporate support.

SINDORA TIMBER SDN BHD GROUP

The uncertainty in world economic recovery and the ensuing increase in demand for tropical timber hardwood by China and India had brought back optimism that the industry is reviving. The post earthquake and tsunami redevelopment in Japan has reinforced the scenario that demand for timber products would accelerate further though most likely only plywood producers will enjoy much of the renewed orders. Nevertheless, the lack of new timber concessions which resulted in difficulty in obtaining logs and ever increasing production cost make it almost impossible to generate profits in timber related activities.

In line with the decision and in order to capitalise on the improving economy, the company had established three subsidiaries:

- General Access Sdn Bhd (GASB) which involves in general contracting such as replanting, road construction and other civil works.
- Jejak Juara Sdn Bhd (JJSB) specialises in rubber estate management. The company is managing Sindora's 200 hectares rubber estate located in Kluang, Johor.
- Tiram Fresh Sdn Bhd (TFSB) engages in mushroom cultivation at the Sindora Timber Complex, Bandar Tenggara, Kulai, Johor.

Besides that, Sindora Timber is also entrusted with the task of managing a 81 hectares oil palm plot belonging to Sindora near Ladang Sungai Simpang Kiri, Yong Peng, Johor.

Going forward, Sindora will initiate all the necessary actions to salvage and enhance the value of its investments in Sindora Timber through 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 continue contributing positively to the Group.

INTRAPRENEUR BUSINESS
CONTINUED

GRANULAB (M) SDN BHD

Acquired in 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 Tests. 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 the 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 – Science Expo, Technology and Innovation (2004), SIRIM Best Innovation Award 2004 – Category - Product: GranuMaS®, and SIRIM Best Innovation Award 2004 – Category - Technology.

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), Malaysian Biotechnology Corporation (Biotech Corp) and the SMI Development Corporation (SMIDEC). The grants had been 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 RM8.0 million medical grade plant at Kota Kemuning, Shah Alam for the production of GranuMaS®. The production facility which has started its trial operations in early 2011 will be the first medical grade production plant for synthetic bone graft in Malaysia as well as in South East Asia. The company is in the process of getting CE Mark and ISO13485 certifications.

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.

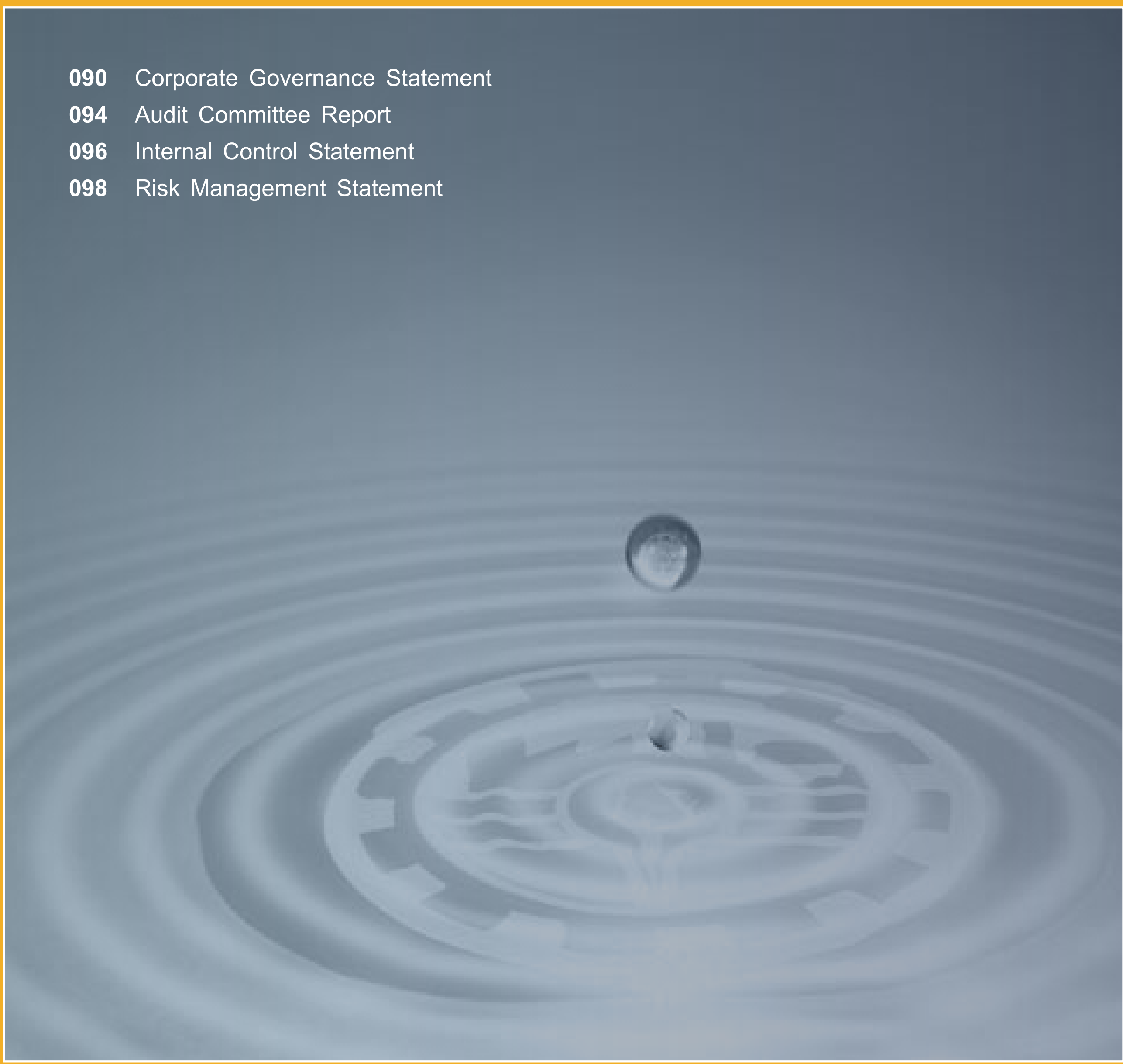
MIT INSURANCE BROKERS SDN BHD (MIT)

The process to acquire MIT Insurance Sdn Bhd (MIT) was initiated in the first quarter of 2010 and was completed in July of the same year. MIT was perceived as a small insurance broking house but with great potential for exponential growth. It has both conventional and Takaful licenses, technical expertise, reputable clients and financially self sufficient. The company also has a proven track record servicing major clients thus understands the requirements of a large conglomerate such as JCorp in providing sufficient services.

The experience gathered by Sindora during its ownership of Willis is being channelled into MIT. The substantial potential revenues to be generated from businesses within JCorp Group combined with the expanded market outside the Group will ensure that the company will continue growing and contributing to the bottom line of Sindora.

SECTION 7

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE STATEMENT

IT HAS ALWAYS BEEN THE POLICY OF JOHOR CORPORATION (JCORP) TO 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 & Chief Executive, three officials of the Johor Civil Service (the State Secretary, the State Legal Adviser and the State Financial Officer), two representatives of the Federal Government (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 & 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 & Chief Executive and their roles are separate. The President & 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 2010, the Board met five 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 five board committees, namely the Executive Committee, Audit Committee, Strategic Planning Committee, Tender Committee and Investment 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 & Chief Executive. Its roles include discussing and deciding on strategic issues relating to JCorp and its Group of Companies.

CORPORATE GOVERNANCE STATEMENT

CONTINUED

Teraju Korporat Committee

The Committee is chaired by the Senior Vice President of Finance and Operation and comprises of ten members. Its roles includes endorse and ratify all decisions made at the various committees i.e. Executive Committee (EXCO) etc.

Executive Committee (EXCO)

The Committee comprises of ten members amongst the management of JCorp and is chaired by the General Manager of Finance. It deliberates on operational as well as financial matters and forward recommendations to Teraju Korporat Committee. Starting 1st October 2010, Finance and Investment Committee (KEMUDI) was dissolved and its function was taken over by EXCO.

Investment Review Committee (JAWS)

The Committee deliberates on all new investments and projects and comprises of nine 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 four 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 IN LISTED ENTITIES WITHIN JCORP GROUP

There are seven listed entities within JCorp Group listed on the main board of Bursa Malaysia namely Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, QSR Brands Berhad, KFC Holdings (Malaysia) Berhad, Sindora Berhad, Damansara Realty 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 & 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 96.

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 94.

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 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 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 President & Chief Executive attends BAC meetings by invitation. In 2010, BAC met in three occasions as follow:

MEMBERS	DATE OF MEETING 9th April	6th September	8th December
Datuk Dr Haris Bin Salleh	✓	✓	✓
Tan Sri Datuk Dr Hadenan A Jalil	✓	✓	✓
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.

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 31st December 2010, the activities of the BAC included the followings:-

- Review reports by the IAC which had held its meetings on 31st March, 1st September and 29th November 2010;
- 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 24th March, 26th August and 24th November 2010.

STATEMENT ON INTERNAL CONTROL

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 INTERNAL AUDIT COMMITTEE (IAC), RISK MANAGEMENT COMMITTEE (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 Treadway 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 thirteen practicing CIAs throughout JCorp Group.

RISK MANAGEMENT STATEMENT

THE RISK MANAGEMENT FUNCTION IS TO PROVIDE A STRONG CONTRIBUTION TO THE ACHIEVEMENT OF CORPORATE OBJECTIVES OF JCORP AND THE GROUP IN ORDER TO HELP ITS STRATEGIC DIRECTIONS. JCORP IS ALSO COMMITTED TO BUILD AN ORGANISATIONAL PHILOSOPHY AND CULTURE THAT ENSURES EFFECTIVE BUSINESS RISK MANAGEMENT THROUGH THE ACTIVITIES OF THE GROUP AND MANAGEMENT EFFICIENCY. RISK MANAGEMENT ENABLES JCORP AND ITS GROUP 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 AND PRACTICAL ANALYSIS OF POSSIBLE OUTCOMES.

Managing business continuity is also part of risk management emphasized by JCorp and the Group to ensure there is continuity in the key business processes where it is necessary to contribute to the achievement of JCorp and Group's objectives.

JCorp and the Group recognise that it is responsible for systematically manage and regularly review the risk profile at the strategic, financial and operational level. It has been done by developing / adopting a risk management framework in determining the processes and identifying ways to implement the objectives. In this way, JCorp and the Group not only aim to minimize the risk but also to maximize the opportunity that exist.

RISK MANAGEMENT COMMITTEE

For the purpose of managing, identifying and monitoring the risks faced by JCorp and the Group, a Risk Management Committee (RMC) was established in 2008. RMC's main responsibility is to assist the Board of Directors in identifying and managing the most significant risk of JCorp.

For the reporting year ended 31 December 2010, three (3) meetings were held in March, August and November 2010.

Duties and Responsibilities of RMC

The duties and responsibilities of RMC among others are:-

- To oversee the procedures and practices in identifying, evaluating, mitigating and monitoring the corporation's risk exposures.
- To advise the Management from time to time with regard to the types of resources and internal controls required in mitigating risks.
- To report regularly to the Board of Directors with regard to risk-related issues of JCorp and the Group.
- To identify and assess the key risks faced by the business unit of each division of JCorp and the Group in a systematic manner.
- To assess potential opportunities and risks.
- To develop and implement specific risk management strategies and assign responsibilities for action plans to manage key risks in the business unit.
- To conduct quarterly review on risk trends, action plan status and report updates to Board of Directors.

ENTERPRISE RISK MANAGEMENT

The Risk Management Framework's scope is comprehensive. The framework is managed by the Enterprise Risk Management (ERM) unit. The unit is responsible for the policy and framework by compiling the input from those involved.

The duties and responsibilities of the ERM are as follows:-

- Management of the process of identifying and monitoring risk of JCorp and the Group.
- Maintenance of Risk Registers.
- Responsibility for creating, implementing and disseminating Risk Management and Compliance Framework.
- Development of tools to assist JCorp's community to implement the best practices for risk and compliance matters.
- Provision of regular training opportunities for all staff to promote a risk culture in JCorp and the Group.
- Publication of risk management and compliance circulars to keep staff informed of relevant issues.

At this time, JCorp and the Group is utilising an online web-based system known as the JCorp Risk Information System (KRIS) that can be accessed at http://kris.jcorp.com.my. This system was developed in 2009 to facilitate the process of updating the risk registers on quarterly basis. However with effect from 30 June 2011, the frequency of updating the risk registers has been enhanced from quarterly to bi-monthly basis. The improvements are intended to provide an opportunity to JCorp and the Group to update the risk profile more frequently for better informed decisions. The risk will always be reviewed from time to time at the respective companies and subsequently ranked, deliberated and reported to the Board Audit Committee and Board of Directors of JCorp.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SECTION 8

HUMAN CAPITAL DEVELOPMENT

STRUCTURED AND WELL DEFINED SUCCESSION PLANNING PROCESS TO ENSURE BUSINESS CONTINUITY AND JCORP'S FUTURE IS VERY IMPORTANT. POLICIES AND PROCEDURES WERE IN PLACE TO FACILITATE WORK RELATED TASK AND ITS CONTINUATION DESPITE ANY CHANGES IN TOP MANAGEMENTS AND LEADERS.

The succession planning efforts was initiated in JCorp since 2009. Identification of critical posts in JCorp and Group level were conducted during the initial stage. Core and leadership competencies were used to measure potential candidate readiness to take high level responsibilities in the organization. Three approaches, namely Behavioural Event Interview (BEI), 360 Degrees Competency Feedback and Psychometric Test were used for the assessment.

JCorp also continue to give exposures in various management experiences to potential candidates through cross posting, job rotation, special duties and mentoring.

Various training programmes were also implemented to enhance levels competency. JCorp invested RM9.1 Million on training programmes. Staff were also encouraged to enroll for professional programmes such as ICSA, ACCA, CIMA and CIA.

Retirement programmes were organised for staff approaching retirement age. The staff and their spouse were given exposure and early preparation for the retirement.

The *Skim Khairat Keluarga* was established in 1990 to provide financial assistance to staff and family member in the event of death. In 2010, the amount of financial assistance was increased taking into account the increase in cost of living. Total contribution paid to staff and heir was RM1.7 million in 2010.

Through *Skim Prisihatin*, specialist treatment facilities were provided to staff and families at KPJ Healthcare Bhd chain of hospitals. Majority of the treatment costs are borne by the scheme.

JCorp promotes transparent leadership style and syura concept in decision making. Discussion, exchange of views and idea among staff and top management were implemented through various platforms such as *Majlis Perhimpunan Dialog and Amanat* (PEDOMAN), Suggestion Scheme, ICC and Departmental Joint Council Meeting. These various venues established a harmonious working relationship, encourage the sharing of ideas and improve quality of work processes.

Recreational, social and sports activities were managed by *Persatuan Rekreasi Keluarga Perbadanan Johor* (PKP) and *Mutiara Johor Corporation*. Activities carried out in 2010 were Futsal and Bowling tournaments, *Ceramahs, Majlis Khatam Al-Quran, Perpustakaan Mutiara* Open Day and Recycling Program. The activities, have successfully inculcated cooperation and team work spirit among members of PKP and *Mutiara Johor Corporation*.

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 a healthy 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. Committee of Occupational Safety and Health represented by representatives from Group companies was constituted since June 2002 to monitor security and occupational health policy implementation in the Group.

JCorp recognizes its human capital importance in guaranteeing the sustainability and success of the organisation. Hence, they need to be highly motivated and competent to meet future challenges.

SIGNIFICANT CORPORATE EVENTS 2010

JANUARY

01

Majlis Pedoman JCorp 2010 was held at Tanjung Puteri Hall 303, Level 3, Persada Johor, Johor Bahru.

FEBRUARY

05-07

Bandar Dato' Onn International Kite Festival 2010 took place on 5 February - 7 February 2010 at Perjiranan 10, Bandar Dato' Onn, Johor Bahru.

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Launching of CATUR BISTARI d'TV at Auditorium P. Ramlee, Angkasapuri, Kuala Lumpur officiated by YBhg Dato' Norhayati Ismail, Deputy Chief Director (Strategic Airtime), Radio Televisyen Malaysia (RTM).

MARCH

20

Mutiara Johor Corporation through Bureau of Education organised Mutiara JCorp Library Open Day at Mutiara Johor Corporation Library, Kompleks Mutiara Johor Land.

APRIL

08

Hand-over Ceremony of 250 School Bags Contributed By Tijarah Ramadhan Fund - Johor Corporation Foundation to Pahang deserving primary and secondary students at Pahang State Education Office.

14

JCorp received a visit from Southern Thailand Islamic Co-operative. Delegations toured to Waqaf An-Nur Clinic, Kotaraya.

30

KFC / MPPG Yachting Championship –Johor Open 2010 at Pasir Layar, Tanjung Langsat Port, Pasir Gudang.

MAY

13

JCorp received a visit from Selangor Islamic Religious Council (MAIS).

15

NatOleo Waqaf An-Nur Charity Golf Pasir Gudang 2010 at Tanjong Puteri Golf Resort, Pasir Gudang. The third circuit in 2010.

21-23

Ekspo Usahawan Bistari 2010 ~Jom Bisnes~ organised by the Ministry of International Trade & Industry (MITI), JCorp and Malaysia Islamic Chamber of Commerce at Persada Johor, Johor Bahru.

JULY

05

Majlis Pedoman Eksekutif JCorp 2010 at Selat Tebrau Hall 101, Level 1, Persada Johor.

16

Closing Ceremony & Dinner for the 14th Young Entrepreneurs Programme Convention National Level 2010 was held at Tanjung Puteri Hall 301 & 303, Level 3, Persada Johor, Johor Bahru.

23

JCorp received a visit from Jabatan Akauntan Negara Malaysia under Consultancy Services Section Team Building Programme themed ‘Organisational Enhancement Workshop’.

28

JCorp received a visit from RISDA Top Management.

29

JCorp 153th Board of Directors Meeting was held at 9:30 am at Sekijang Room 403, Level 4, Persada Johor. Meeting chaired by YAB Dato’ Haji Abdul Ghani Othman, Chief Minister of Johor cum JCorp Chairman.

30

JCorp received a visit from Victoria State Commissioner, Australia.

SIGNIFICANT CORPORATE EVENTS
CONTINUED

AUGUST

01
JCorp's 40th Anniversary.

03
JCorp received a visit from Sarawak State Economic Development Corporation (SEDCO).

05
Launching of Tijarah Ramadan Season 6, 2010 at Johor & Kelantan Room, Putra World Trade Centre, Kuala Lumpur. The ceremony was officiated by YB Mejar Jeneral (R) Dato' Seri Jamil Khir Hj Baharom, Minister at Prime Minister's Department.

24
JCorp 154th Board of Directors Meeting was held at 3.00 pm at Sekijang Room 403, Level 4, Persada Johor. Meeting chaired by YAB Dato' Haji Abdul Ghani Othman, Chief Minister of Johor cum JCorp Chairman.

28
JCorp in collaboration with Muar District Office organised Contribution, Yaasin And Tahlil Recitation & Breaking of Fast with the Subjects at Sultan Ibrahim Mosque, Tanjung Emas, Muar, Johor. HRH Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan and The Sovereign Ruler of the State and Territories of Johor Darul Ta'zim attended the ceremony.

SEPTEMBER

08
Tijarah Ramadhan Fund Hari Raya Contribution Ceremony for the poor and the less capable in Semerah Constituency.

30
JCorp Hari Raya Aidilfitri Ceremony at Tanjung Puteri Hall, Persada Johor. HRH Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan and The Sovereign Ruler of the State and Territories of Johor Darul Ta'zim attended the function.

OCTOBER

06

Honorary visit from The Ambassador of Uzbekistan, HE Shukur Sabitov and his delegations.

23-24

Waqaf An-Nur Clinic - Kulim (Malaysia) Berhad Charity Golf 2010 at Nam Heng Country Club, Ladang Basir Ismail, Kota Tinggi, Johor.

25

JCorp 155th Board of Directors Meeting was held at 10.00 am at Tanjung Puteri Hall 304-305, Level 3, Persada Johor. Meeting chaired by YAB Dato' Haji Abdul Ghani Othman, Chief Minister of Johor cum JCorp Chairman.

27

Tijarah Ramadhan Fund School Bag Hand-over Ceremony to Tn. Hj. Sufa'at Tumin, Johor Education Director.

28

Briefing on JCorp to HRH Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan and The Sovereign Ruler of the State and Territories of Johor Darul Ta'zim at Tanjung Puteri Hall 303, Level 3, Persada Johor, Johor Bahru.

28

JCorp received a visit from Sarawak State Economic Development Corporation and Pustaka Negeri Sarawak.

29-31

CATUR BISTARI Challenge for Higher Education Institution National Level 2010 at The Grand Hall, Sultan Salahuddin Abdul Aziz Shah Centre of Culture & Art, UPM, Serdang, Selangor.

SIGNIFICANT CORPORATE EVENTS
CONTINUED

NOVEMBER

02
Contribution Ceremony to 250 Indian Hardcore Poor Families in Segamat was held at Dewan Jubli Intan, Segamat. This charity programme was in conjunction with Deepavali on 5 November 2010 and held by The Red Crescent Malaysia Social Service Committee under the patronage of HRH Raja Zarith Sofiah Binti Almarhum Sultan Idris.

03
Hand-over ceremony of 'Certificate In Intrapreneurship' Group 5 at Tanjung Puteri 303, Persada Johor by YBhg Dato' Prof Ir Sahol Hamid Abu Bakar, Vice Chancellor of Universiti Teknologi MARA.

04
Tijarah Ramadhan Fund School Bag Hand-over Ceremony was held at Sungai Petai Primary School, Alor Gajah, Melaka. A total of 250 school bags allocated to deserving primary students around Melaka to Tn. Hj Kassim Mohamad, Alor Gajah District Education Officer.

04
Johor Royal Protocol & Etiquette Management Programme was held at Permata Ballroom3, The Puteri Pacific Hotel, Johor Bahru. A total of 46 staff of JCorp and Group attended the programme conducted by YB Dato' Abdul Rahim Bin Ramli, Dato' Penghulu Istiadat Istana Johor.

09
JCorp received a visit from Sabah State Economic Development Corporation (SEDCO) and Dewan Perniagaan Bumiputera Sabah.

11
JCorp received an honorary visit from the training participants of "Effective Capacity Building for Senior Public Officials from Selected OIC Member States III". A total of 14 senior officials from Afghanistan, Ghana, Malaysia, Myanmar, Sierra Leone, Syria, Sudan, Uganda, Uzbekistan and Vietnam participated in this programme.

11-14
Beli Barangan Malaysia Expo 2010 Southern Region co-organised by Ministry of Domestic Trade, Cooperatives & Consumerism (MTDCC) and JCorp at Persada Johor and officiated by YB Dato' Sri Ismail Sabri Yaakob, Minister of Domestic Trade, Cooperatives & Consumerism.

16
In conjunction with Hari Raya Aidil Adha Celebration 1431H, Qurban Ceremony with Johor People together with Johor Government-Linked Companies was held on 17 November, 2010 at Plaza Angsana Johor Bahru. In this ceremony, JCorp contributed 5 cattles and refreshments for secretariat and guests. Solemnisation officiated by HRH Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan and The Sovereign Ruler of the State and Territories of Johor Darul Ta'zim

20-21
Ministry of Trade & Industry Malaysia (MITI) and JCorp organised Program Usahawan BISTARI Central Region at Kompleks PERHEBAT, Sungai Buloh Camp, Selangor.






NOVEMBER

20-21

JCorp received a visit from TEKUN Nasional.

23

JCorp received a visit from Politeknik Kota Kinabalu, Sabah.

27-28

Ministry of Trade & Industry Malaysia (MITI) in collaboration with JCorp organised Program Usahawan BISTARI Northern Region at Hotel Swiss Inn Hotel, Sg. Petani, Kedah. CATUR BISTARI Workshop and CATUR BISTARI Challenge were held in collaboration with this programme.

DECEMBER

09

JCorp 156th Board of Directors Meeting was held at Sekijang Room 403, Level 4, Persada Johor. Meeting chaired by YAB Dato' Haji Abdul Ghani Othman, Chief Minister of Johor cum JCorp Chairman.

19

PUSPATRI Convocation 2010 at Tanjung Puteri Hall 301, Persada Johor, Johor Bahru.

20

HARI MEKAR for JCorp Group 2010 themed `Be Innovative Stay Competitive' was held at Tanjung Puteri Hall, Persada Johor, Johor Bahru.

JCORP
IN THE NEWS

JCorp menang dua anugerah

JCorp satu daripada ahli ADFIM iaitu sebuah institusi mengetengahkan struktur pembangunan ekonomi yang kukuh di negara ini

Tahlil sempena sambutan ke-40 Johor Corporation

JCorp raih untung RM962 juta

Pencapaian tertinggi dicatat kumpulan sejak penubuhan 40 tahun lalu

Kedudukan Nilai Aset Johor Corporation

Majlis tahlil, bacaan Yasin sempena penubuhan ke-40 JCORP

Terminal Bas Larkin Sentral selesa

Terima tajaan RM3.447 juta

JCorp tambah 'tonik' kuasi skuad Johor hadapi saingan Liga M

Prestasi terbaik JCorp

KUALA LUMPUR 18 April - Kumpulan Johor Corporation (JCorp.) mencatat keuntungan sebelum cukai dan selepas pembayaran zakat sebanyak RM962 juta, meningkat 37.4 peratus bagi tahun kewangan berakhir Disember 2010 berbanding RM700 juta yang direkodkan tahun sebelumnya.

Menurut satu kenyataan yang dikeluarkan di sini hari ini, ia merupakan prestasi terbaik Kumpulan Johor Corporation sejak penubuhannya 40 tahun lalu.

Keuntungan itu adalah hasil prestasi cemerlang syarikat-syarikatnya yang mana Kumpulan Kulim (Malaysia) Bhd. menjadi penyumbang terbesar.

Jualan di peringkat kumpulan juga meningkat 6.1 peratus kepada RM7.5 bilion pada tempoh berkenaan berbanding RM7.1 bilion sebelumnya.

Di peringkat Johor Corpora-

Dua lokasi berpotensi pusat pertumbuhan minyak, gas

Teluk Ramunia, Tanjung Langsat mampu tarik pelaburan luar

Manfaat pelan pembangunan

Tanjung Leman, kawasan sekitar bakal diteroka

Menang anugerah

Johor Corporation (Johor Corp) memenangi Anugerah Khas bagi Laporan Tahunan Terbaik dan Anugerah Pembangunan Projek Terbaik bagi Tanggungjawab Sosial Korporat (CSR) daripada Association Development Financing Institutions in Asia and the Pacific (ADFIAP).

Kumpulan itu dalam kenyataannya semalam berkata, anugerah itu diterima pada majlis di Acapulco Beach Club Resort & Hotel, Cyprus Utara 20 April lalu.

JCorp plans to develop town

JCorp taja RM400,000 Festival Layang-Layang Sedunia

"JCorp sudah terlibat secara langsung dalam penganjuran Festival Layang-layang Antarabangsa Pasir Gudang sejak edisi pertama dianjurkan pada tahun 1995"

JCorp wins two prestigious awards

JCorp's president and chief executive Kamaruzzaman Abu Kassim

JCorp group pre-tax hits record RM962m

JCorp terima dua anugerah

JOHOR BAHRU 21 April – Johor Corporation (JCorp) menerima dua anugerah daripada Persatuan Institusi Kewangan Pembangunan di Asia dan Pasifik (ADFIAP) 2011 pada majlis perhimpunan persatuan itu di Kyrenia, Cyprus, semalam.

JCorp dalam kenyataan di sini hari ini memberitahu, Anugerah Khas Laporan Tahunan Terbaik serta Anugerah Projek Pembangunan Tanggungjawab Sosial Korporat Terbaik itu disampaikan kepada Ketua Pegawai Eksekutif

BISNES

Jalinan MDeC, GCEL tembusi pasaran global

Festival layang-layang kumpul lebih RM400,000

Program dijangka tarik hampir 100,000 pengunjung dalam, luar negara

JCorp profit up 37.4% to RM962mil

Larkin Sentral terminal terbaik

Mampu tampung 60,000 pengguna, lebih mesra golongan OKU

JCorp bantu mangsa banjir

80 sukarelawan Briged Waqaf bersih kediaman, masjid serta surau

AWARDS AND ACCOLADES

ADFIAP AWARDS 2011

- **SPECIAL AWARD FOR BEST ANNUAL REPORT 2009**
- **EXCELLENT DEVELOPMENT PROJECT AWARD CORPORATE SOCIAL REPONSIBILITY CATEGORY**
  For Waqaf Brigade and Waqaf An-Nur Hospital & Waqaf An-Nur Chain of Clinics

ACCOLADES

'THE BRANDLAUREATE AWARD'

2008-2009
JCorp
'The BrandLaureate Conglomerate Award'

2009-2010
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 RECOGNITION

JCorp
4-Star - Financial Management Accountability Index 2010
- National Audit Department

AWARDS AND ACCOLADES
CONTINUED

KULIM (MALAYSIA) BERHAD

1 **NACRA AWARD 2010**
- Industry Excellence Award (MainBoard) - Plantation & Mining (Winner)

2 **Scored A in Malaysian Corporate Governance (MCG) Index 2010**

3 **Minister CSR Awards**
- Honorable mention for Outstanding Work in Empowerment of Women (WOW)

4 **Malaysia Sustainability Reporting Awards (MaSRA) 2010**
- Winner - Best Sustainability Report
- Commendation - Strategy & Governance
- Shortlisted - Sustainability Report
- Shortlisted - Sustainability Report within Annual Report

5 ***Skim Amalan Ladang Baik Malaysia*** (Malaysian Farm Certification Scheme for Good Agricultural Practice)

6 **2009 South East Asia Frost & Sullivan Growth Strategy Excellence Award** *(Oleochemicals)*

KPJ HEALTHCARE BERHAD

1 **2nd Global Award – Diamond Category** – Puteri Specialist Hospital

2 **The Global Award for Perfection, Quality & ideal Performance** – KPJ Ampang

3 **Business of the Year Award – Service Provider** – KPJ Ipoh

4 **Productivity Award** – KPJ Ampang

5 **1st Place Winner of Scientific Poster Competition** – Kuantan Specialist Hospital

6 **Occupational & Safety Award** – KPJ Damansara

7 **Runner up for Excellence Award – Human Resource Development Project Category** – KPJ Selangor

8 **International ICC Convention Gold Award – Smile Team** – KPJ Selangor

9 **Service Excellence Award** – KPJ Selangor

10 ***Anugerah Pembangunan Sumber Manusia*** **– Winner** – KPJ Damansara

11 ***Anugerah Pembangunan Sumber Manusia*** **– 3rd Placing** – KPJ Tawakkal

12 **ASEAN Business Award 2010 – Employment Category (Medium Industry)** – KPJ Ampang

SINDORA BERHAD

METRO PARKING (M) SDN BHD

1 Best Brand in Product Branding, Best Brand in Services – Parking Management and Consultancy in The BrandLaureate

2 Business Ethic Excellence Award 2010/2011 Big Company Category

3 Service Provider of The Year Award 2009 in Business Of The Year Award

METRO PARKING (S) PTE LTD

1 Excellent Service Award 2010, Metro Parking Singapore

QSR BRANDS BHD & KFC HOLDINGS (MALAYSIA) BHD

KFC

1 Yum! Reel Advertising Excellence Award - "New Discoveries"

2 Reader's Digest Most Trusted Brands

3 Putra Brand Awards 2010 (Silver)

4 Trusted Brand 2010 – Gold Award (Voted by Consumers for Family Restaurant Category)

PIZZA HUT

1 Yum! Best New Product – Crunchy Cheesy Bites

2 Yum! Best Overall Marketing

3 Mocktail Innovation Award

4 Above & Beyond Award

5 Yum! Reel Advertising Excellence Award – "Neighbours"

6 Trusted Brand 2010 – Gold Award (Voted by Consumers for Family Restaurant Category)

7 The BrandLaureate Award 2009-2010 Best Brands Category Food & Beverage Pizzas 2009-2010

8 Trusted Brand 2010 – Gold Award (Voted by Consumers for Family Restaurant Category)

AYAMAS

1 Domestic Diva Awards for Ayamas Golden Nuggets in Best Ready To Eat Frozen Meat Category

2 Domestic Diva Awards for Ayamas Premium Frankfurter Cheese in Best Processed Meat Category

3 Best Brand Product Branding - Consumer Chicken Based Products Category

CORPORATE HISTORY

GROWTH

1968

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

1970

- JSEDC start its operation on 1 August 1970

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

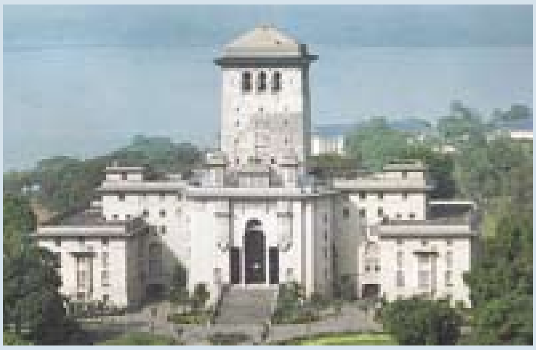
- Purchase of Kulim (Malaysia) Berhad's shares, an oil palm and rubber plantations company. The company was listed in the Stock London Exchange under Kulim Group Limited. This was the starting point for JSEDC to be involved in agro-business sector with an initial equity holding of 8.72%.

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 aluminum ingot manufacturing activities through a joint-venture subsidiary, Johor Aluminum 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.
- 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 Minister 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 JCorp.
- 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.

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 of JCorp was listed on the KLSE main board.

CORPORATE HISTORY
CONTINUED

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, Chief Executive, Healthcare Division 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 organized 'Forum Perdana Hal Ehwal Islam' at Dataran Bandaraya, Johor Bahru.

2001

- The Corporate Philosophy was launched, - '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 Johor* 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.
- Transfer 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 percent equity ownership.
- JCorp through Kulim (Malaysia) Berhad ventured into bio-diesel field, a joint-venture with Cremer Gruppe to produce 100,000 metric tons 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.

CORPORATE HISTORY
CONTINUED

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 Bond Redemption under its Corporate Restructuring Master Plan (CRMP) on 31 July 2007 valued at RM393.8 million.
- JCorp received 4-star rating for Financial Management ccountability Index for the first time from the National Audit Department.

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 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 if 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 specialized 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.

STRATEGIC EXPANSION

2009

- JCorp managed to implement its 2nd Serial Bonds Redemption under Corporate Structuring Masterplan on 31 Julai 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 Room 402, Persada Johor. Briefing delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President & Chief Executive of JCorp.

- JCorp managed to maintain its 4-star rating 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 organized 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 & 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.

- 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 was led by Tn. Hj. Mohd Hizam Abdul Rauf, Company Chief of Ali Abu Talib. The aid channeled being the canned Chicken Curry (Ayamas product) as much as 14 tonnes 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 Tanjung Puteri Hall (306), Persada Johor. The briefing had been delivered by YBhg Tan Sri Dato' Muhammad Ali Hashim, President & 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 Room 306 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 (M) Bhd had received recognition and awarded Global CSR Summit Awards 2009 for Gold For Best Environmental Excellence category held at Raffles Hotel Singapore

CORPORATE HISTORY
CONTINUED

2010

- Appointment of Kamaruzzaman bin Abu Kassim as the third President & Chief Executive effective 1 December 2010.

- Opening of KPJ Tawakkal Specialist Hospital's new building in Kuala Lumpur.

- JCorp received two Adfiap 2011 Awards from the Association of Development Financing Institutions in Asia & the Pacific (ADFIAP) for its development projects and initiatives - Best Annual Report 2009 and Winner of the Corporate Social Responsibility Category which highlights 2 CSR activities - Waqaf Brigade and Waqaf An Nur Hospital & Waqaf An Nur Clinics

- Kulim (Malaysia) Berhad recognised as the winner of the Best Sustainability Reporting Award and Commendation for Reporting on Strategy and Governance di ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2010.

- JCorp retained 4-star rating for the third consecutive years for Financial Management Accountability Index 2010.

SECTION 9

FINANCIAL STATEMENT

CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENT OF JOHOR CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2010

The Financial Statement of Johor Corporation and the Group for the year ended 31 December 2010 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 results and the overall Financial Statement presentation.

In my opinion, the Financial Statement gives a true and fair view of the financial position of Johor Corporation and the Group as at 31 December 2010, 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.

This certificate is to be read together with the Report of the Auditor General without qualifying my opinion.

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

PUTRAJAYA
15 APRIL 2011

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENT OF
JOHOR CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2010

The report of the Auditor General must be read together with the Certificate of the Auditor General to support opinion on the Financial Statement.

2. The audit observations on the Financial Statement are as follows:

2.1 Repayment of Loan - RM3,351 million

Johor Corporation has a loan of RM3,351 million which will mature on 31 July 2012 comprising short-term loan of RM400 million and long-term loan which is Guaranteed Redeemable Islamic Bond ("GRIB") amounting to RM2,951 million. Johor Corporation's Board of Directors has appointed both prime loan providers as the financial advisors to propose a solution that will enable Johor Corporation to fulfill its financial obligations in the duration that has been determined. Johor Corporation's Board of Directors are confident that the restructuring scheme for the financial obligations will be implemented succesfully.

Necessary corrective measures should be taken by the management of Johor Corporation to improve public accountability.

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

PUTRAJAYA
15 APRIL 2011

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Corporation for the financial year ended 31 December 2010.

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 RM Million	Corporation RM Million
Profit from continuing operations, before tax	962	118
Profit from discontinued operation	152	-
Profit before tax	1,114	118
Tax expense	(280)	1
Profit net of tax	834	119
Profit attributable to:		
Johor Corporation	302	119
Minority Interests	532	-
	834	119

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS' REPORT
CONTINUED

DIRECTORS

The names of the directors of the Corporation in office since the date of the last report and at the date of this report are:

YAB Dato' Haji Abdul Ghani Bin Othman	(Chairman)
YBhg Tuan Haji Kamaruzzaman Bin Abu Kassim	(President and Group Chief Executive) (Appointed on 1 December 2010)
YB Datuk Haji Ahmad Zahri Bin Jamil	
YB Datuk Abdul Rahman Putra Bin Dato' Haji Taha	
YB Datin Paduka Zainon Binti Haji Yusof	
YB Tuan Haji Obet Bin Tawil	(Appointed on 14 Mar 2011)
YBhg Dato' Paduka Ismee Bin Ismail	(Appointed on 1 November 2010)
YBhg Dato' Sri Dr Ali Bin Hamsa	
YBhg Datuk Dr Rahamat Bivi Binti Yusoff	
YBhg Datuk Dr Haji Haris Bin Haji Salleh	
YBhg Tan Sri Dato' Muhammad Ali Bin Hashim	(Retired on 29 July 2010)
YBhg Tan Sri Dato' Abdullah Bin Ayub	(Retired on 31 October 2010)
YBhg Tan Sri Dato' Abdul Rahman Bin Mamat	(Retired on 6 December 2010)
YB Dato' Haji Abd Latiff Bin Yusof	(Retired on 14 Mar 2011)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the Statements of Comprehensive Income and Statements of Financial Position of the Group and of the Corporation were made out, the Directors took reasonable steps to ascertain that:

(i) 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

(ii) to ensure that any current assets, 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.

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

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

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

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

(c) 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 of the Group and the Corporation, which would render any amount stated in the financial statements misleading.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

(e) In the opinion of the Directors:

(i) 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; and

(ii) 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

HAJI KAMARUZZAMAN BIN ABU KASSIM
President and Group Chief Executive

Johor Bahru

31 March 2011

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

We, Dato' Haji Abdul Ghani Bin Othman and Haji Kamaruzzaman bin Abu Kassim 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 Statement of Financial Position, Statement of Comprehensive Income, Statements of Changes in Equity and Statement of Cash Flows 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 2010 and of the results and cash flows for the year then ended.

Signed on behalf of the Board of Directors:

DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman

HAJI KAMARUZZAMAN BIN ABU KASSIM
President and Group Chief Executive

Johor Bahru

31 March 2011

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

I, Azli Bin Mohamed, 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 Statement of Financial Position, Statement of Comprehensive Income, Statements of Changes in Equity and Statement of Cash Flows 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
31 MAR 2011

Before me,

Commissioner of Oath

PESURUHJAYA SUMPAH
No J 150
Nama : AMINAH BINTI ABDULLAH
MALAYSIA

S20B-PODIUM 1
MENARA ANSAR
JOHOR BAHRU

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated

	Note	Group 2010	Group 2009 restated	Corporation 2010	Corporation 2009
Continuing operations					
Revenue	4	7,524	7,089	388	500
Cost of sales		(4,207)	(3,994)	(217)	(218)
Gross profit		3,317	3,095	171	282
Other items of income					
Other income	5	561	309	247	104
Other items of expense					
Distribution expenses		(1,549)	(1,387)	(5)	(10)
Administrative expenses		(925)	(836)	(86)	(42)
Finance costs	7	(351)	(314)	(185)	(183)
Other expenses	6	(161)	(205)	(24)	(51)
Share of results of associates		70	38	-	-
Profit before tax from continuing operations	8	962	700	118	100
Income tax expense	11	(280)	(232)	1	(1)
Profit from continuing operations, net of tax		**682**	**468**	**119**	**99**
Discontinued operation					
Loss from discontinued operation, net of tax	12	(2)	(22)	-	-
Gain on disposal of discontinued operation	12	154	-	-	-
Profit net of tax		***834***	***446***	***119***	***99***
Other comprehensive income:					
Net surplus from revaluation		6	-	-	-
Cash flow hedges		(97)	-	-	-
Fair value of available for sale financial assets		56	-	-	-
Foreign currency translation		5	-	-	-
Other comprehensive income for the year, net of tax		***(30)***	***-***	***-***	***-***
Total comprehensive income for the year		***804***	***446***	***119***	***99***

	Note	Group 2010	Group 2009 restated	Corporation 2010	Corporation 2009
Profit attributable to:					
Johor Corporation		302	104	119	99
Minority interests		532	342	-	-
		834	446	119	99
Total comprehensive income attributable to:					
Johor Corporation		287	104	119	99
Minority interests		517	342	-	-
		804	446	119	99

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated

		Group			Corporation		
	Note	31.12.2010	31.12.2009 Restated	1.1.2009 Restated	31.12.2010	31.12.2009 Restated	1.1.2009 Restated
ASSETS							
Non-current assets							
Property, plant and equipment	14	7,225	6,885	5,296	334	334	328
Property development	23	117	80	212	25	22	22
Investment properties	15	1,904	1,804	1,867	390	392	380
Intangible assets	16	1,042	941	365	-	-	-
Land use rights and other assets	17	92	103	99	-	-	-
Investment in subsidiaries	18	-	-	-	2,508	2,723	2,683
Investment in associates	19	507	421	1,018	180	109	90
Deferred tax assets	21	86	73	63	27	-	-
Other investments	13	232	55	68	14	6	21
		11,205	10,362	8,988	3,478	3,586	3,524
Current assets							
Development property	23	556	364	403	190	159	170
Inventories	24	791	655	522	54	64	71
Trade and other receivables	22	876	1,390	1,072	1,305	1,006	1,020
Other currents assets	25	29	63	75	1	-	1
Other investments	13	169	77	42	10	8	2
Tax recoverable		32	58	45	57	24	8
Cash and bank balances	28	668	705	853	78	49	138
		3,121	3,312	3,012	1,695	1,310	1,410
Assets of disposal group classified as held for sale	20	58	124	273	-	-	-
		3,179	3,436	3,285	1,695	1,310	1,410
Total Assets		***14,384***	***13,798***	***12,273***	***5,173***	***4,896***	***4,934***
EQUITY AND LIABILITIES							
Current liabilities							
Income tax payable		121	127	130	-	-	-
Loans and borrowings	30	2,151	1,769	2,018	461	462	1,123
Trade and other payables	31	1,452	1,574	1,144	824	830	408
Other current liabilities	32	2	1	-	-	-	-
Derivatives financial instruments	27	150	-	-	-	-	-
		3,876	3,471	3,292	1,285	1,292	1,531

	Note	Group 31.12.2010	Group 31.12.2009 Restated	Group 1.1.2009 Restated	Corporation 31.12.2010	Corporation 31.12.2009 Restated	Corporation 1.1.2009 Restated
Net current (liabilities) / assets		***(697)***	***(35)***	***(7)***	***410***	***18***	***(121)***
Non-current liabilities							
Other long term liabilities	29	149	185	190	3	1	10
Deferred tax liabilities	21	791	540	448	33	6	6
Loans and borrowings	30	4,508	4,860	4,396	2,982	2,866	2,755
Derivatives financial instruments	27	25	-	-	-	-	-
		5,473	5,585	5,034	3,018	2,873	2,771
Total liabilities		***9,349***	***9,056***	***8,326***	***4,303***	***4,165***	***4,302***
Net assets		***5,035***	***4,742***	***3,947***	***870***	***731***	***632***
Equity							
Capital reserves	33	998	992	990	55	55	55
Hedge reserves	33	(41)	-	-	-	-	-
Currency fluctuation reserves	33	(109)	(87)	(87)	-	-	-
Fair value adjustments reserves	33	30	-	-	-	-	-
Revenue reserves		518	198	38	815	676	577
		1,396	1,103	941	870	731	632
Minority interests		3,639	3,639	3,006	-	-	-
Total equity		***5,035***	***4,742***	***3,947***	***870***	***731***	***632***
Total equity and liabilities		***14,384***	***13,798***	***12,273***	***5,173***	***4,896***	***4,934***

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated

2009 Group	Capital reserves	Currency fluctuation reserves	Revenue reserves	Total	Minority interests	Total equity
Opening balance at 1 January 2009	*990*	*(87)*	*38*	*941*	*3,006*	*3,947*
Total comprehensive income	-	-	104	104	342	446
Partial acquisition/disposal of subsidiaries	-	1	55	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
Closing balance at 31 December 2009	**992**	**(87)**	**198**	**1,103**	**3,639**	**4,742**

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated
CONTINUED

2010 Group	Capital reserves	Hedge reserves	Currency fluctuation reserves	Fair value adjustment reserve	Revenue reserves	Total	Minority interests	Total equity
Opening balance at 1 January 2010	*992*	*-*	*(87)*	*-*	*198*	*1,103*	*3,639*	*4,742*
Effects of adopting FRS 139	-	(12)	-	-	20	8	(12)	(4)
	992	(12)	(87)	-	218	1,111	3,627	4,738
Profit net of tax	-	-	-	-	302	302	532	834
Other comprehensive Income								
Revaluation surplus	6	-	-	-	-	6	-	6
Foreign exchange adjustments	-	-	(22)	-	-	(22)	27	5
Cash flow hedges	-	(29)	-	-	-	(29)	(68)	(97)
Fair value of available for sale financial assets	-	-	-	30	-	30	26	56
Total other comprehensive income for the year	6	(29)	(22)	30	-	(15)	(15)	(30)
Total comprehensive income for the year	6	(29)	(22)	30	302	287	517	804
Dividend paid to minority shareholders	-	-	-	-	-	-	(9)	(9)
Disposal of subsidiaries	-	-	-	-	-	-	(424)	(424)
Dilution of interest in subdiaries	-	-	-	-	-	-	(115)	(115)
Acquisition of new subsidiaries	-	-	-	-	-	-	(4)	(4)
Additional interest in subdiaries	-	-	-	-	-	-	58	58
Distribution of fund to State Government	-	-	-	-	(2)	(2)	-	(2)
Share buy-back by subsidiaries	-	-	-	-	-	-	(6)	(6)
Arising from acquisition from minority interest	-	-	-	-	-	-	(5)	(5)
	-	-	-	-	(2)	(2)	(505)	(507)
Closing balance at 31 December 2010	**998**	**(41)**	**(109)**	**30**	**518**	**1,396**	**3,639**	**5,035**

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated
CONTINUED

Corporation	Capital Reserves	Revenue Reserves	Total Equity
Opening balance at 1 January 2009	*55*	*577*	*632*
Total comprehensive income	-	99	99
Closing balance at 31 December 2009 and Opening balance at 1 January 2010	*55*	*676*	*731*
Effects of adopting FRS 139	-	22	22
	55	698	753
Total comprehensive income	-	119	119
Distribution of fund to State Government	-	(2)	(2)
Closing balance at 31 December 2010	*55*	*815*	*870*

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated

	Group		Corporation	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Profit/(loss) before tax:				
Continuing operations	962	700	118	100
Discontinued operation	1	(30)	-	-
Adjustments:				
Property, plant and equipment:				
- (Gain)/loss on disposal	(1)	11	-	-
- Written off	11	10	-	-
- Depreciation	419	374	10	7
- Impairment Loss	47	11	-	-
Investment property:				
- Changes in fair value	(22)	39	(17)	45
- Written off	-	5	-	-
- (Gain)/loss on disposal	-	(9)	2	(3)
Land use rights:				
- Amortisation	2	1	-	3
(Gain)/Loss on disposal of:				
- Subsidiaries	(110)	-	-	-
- Discontinued operation	(154)	-	-	-
- Partial Interest in subsidiaries	(47)	(13)	(15)	(24)
- Associates	19	(5)	(79)	(5)
- Other investments	(108)	1	(109)	-
- Development expenditure	1	-	-	-
Negative goodwill	-	2	-	-
Investments:				
- Changes in fair value	(8)	-	(3)	-
- Allowance/(Write back) for diminution	4	(16)	15	(31)
Intangible assets:				
- Amortisation	10	12	-	-
- Written off	3	-	-	-
Dividend income	(3)	(5)	(141)	(102)
Amortisation of government grant	(22)	(21)	(6)	(16)
Impairment of receivables	3	-	21	-
Interest expense	351	323	185	183
Interest income	(12)	(16)	(4)	(20)
Share of results of associates	(70)	(38)	-	-
Waqaf contribution	-	5	-	5
Gain on exchange of estates	-	(61)	-	-
Operating profit/(loss) before changes in working capital	**1,276**	**1,280**	**(23)**	**142**

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
Amounts in RM Million Unless Otherwise Stated
CONTINUED

	Group		Corporation	
	2010	2009	2010	2009
Changes in working capital				
Bank deposits not regarded as cash equivalents	(26)	77	(25)	74
Inventories	(196)	25	10	7
Property development cost	23	39	(26)	11
Receivables	142	(244)	(9)	32
Payables	(143)	154	43	6
Associates	(157)	59	-	-
Short term investments	-	(35)	-	(5)
Short term borrowings	(353)	451	-	-
Cash generated from/(used in) operations	**566**	**1,806**	**(30)**	**267**
Land and property development	(118)	132	-	1
Tax Paid	(31)	(200)	-	-
Dividend received	3	5	28	73
Interest received	12	16	1	20
Net cash generated from/(used in) operating activities	**432**	**1,759**	**(1)**	**361**
INVESTING ACTIVITIES				
Proceeds from disposal of investment in:				
- Subsidiaries	531	-	50	62
- Associates	87	5	96	5
- Other investments	75	91	133	35
- Short term investments	-	-	-	1
Property, plant and equipment:				
- Proceeds from disposal	176	427	-	-
- Purchase	(1,012)	(1,258)	(10)	(15)
Investment property:				
- Proceeds from disposal	36	47	-	4
- Purchase	(131)	(17)	(3)	(58)
Intangible assets:				
- Addition	(18)	(10)	-	-
Land use rights:				
- Purchase	-	(68)	-	-
Acquisition of subsidiaries, net of cash acquired	(646)	40	-	-
Acquisition of associates	(168)	-	-	-
Purchase/Subscription of:				
- Partial Interest in subsidiaries	-	(150)	(203)	(71)
- Partial interest in associates	-	(34)	(4)	-
- Other investments	(213)	(62)	(27)	(28)
Net cash flows (used in)/generated from investing activities	**(1,283)**	**(989)**	**32**	**(65)**

	Group 2010	Group 2009	Corporation 2010	Corporation 2009
FINANCING ACTIVITIES				
Repayment of term loans and other long term borrowings	(662)	(1,247)	(2)	(675)
Loan from a subsidiary	-	-	-	400
Repayment of hire purchase and leases	(12)	(17)	-	-
Drawdown of term loans and other long term borrowings	1,762	717	15	-
Government grant received	23	15	7	7
Interest paid	(351)	(185)	(45)	(43)
Dividend paid to minority interests	(9)	(142)	-	-
Distribution of fund to State Government	(2)	-	(2)	-
Net cash generated from/(used in) financing activities	**749**	**(859)**	**(27)**	**(311)**
Net (decrease)/increase in cash and cash equivalents	(102)	(89)	4	(15)
Cash and cash equivalents at 1 January	**527**	**619**	**17**	**32**
Effect of exchange rate changes on cash and cash equivalents	87	(3)	-	-
Cash and cash equivalents at 31 December	**512**	**527**	**21**	**17**
CASH AND CASH EQUIVALENTS				
Cash and bank balances	385	427	1	8
Fixed deposits	283	278	77	41
	668	705	78	49
Fixed deposits subject to restriction/pledged	(73)	(47)	(57)	(32)
Bank overdrafts	(83)	(131)	-	-
	512	527	21	17

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. CORPORATE INFORMATION

Johor Corporation was incorporated under the 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 2010 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 31 March 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Corporation have been prepared in accordance with Financial Reporting Standards and accounting principles generally accepted in Malaysia. At the beginning of the current financial year, the Group and the Corporation adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest million (RM million) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Corporation adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 *Financial Instruments: Disclosures*
- FRS 8 *Operating Segments*
- FRS 101 *Presentation of Financial Statements* (Revised)
- FRS 123 *Borrowing Costs*
- FRS 139 *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
- Amendments to FRS 132 *Financial Instruments: Presentation*
- Amendments to FRS 139 *Financial Instruments: Recognition and Measurement,* FRS 7 *Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

- Improvements to FRS issued in 2009
- IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 10 *Interim Financial Reporting and Impairment*
- IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 13 *Customer Loyalty Programmes*
- IC Interpretation 14 FRS119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group or the Corporation.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Corporation except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Corporation have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Corporation's financial statements for the year ended 31 December 2010.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 40 to the financial statements.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Corporation have elected to present this statement as one single statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

FRS 101 Presentation of Financial Statements (Revised) (continued)

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 39).

The revised FRS 101 was adopted retrospectively by the Group and the Corporation.

FRS 123 Borrowing Costs

FRS 123 has been revised to require capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Group's previous policy was to expense borrowing costs as they were incurred. The Group has amended its accounting policy based on the revised FRS 123. In accordance with the transitional provisions of the Standard, the Group has adopted this as a prospective change. Therefore, borrowing costs have been capitalised on qualifying assets with a commencement date on or after 1 January 2010. No changes have been made for borrowing costs incurred prior to this date that have been expensed. During the financial year, RM2 million borrowing costs have been capitalised on property, plant and equipment.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Corporation have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Equity instruments**

  Prior to 1 January 2010, the Group classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 January 2010 as available-for-sale financial assets.

  Prior to 1 January 2010, the Group classified its investments in equity instruments which were held for trading purposes as marketable securities. Such investments were carried at the lower of cost and market value, determined on an aggregate basis. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 as financial assets at fair value through profit or loss and accordingly are stated at their fair values.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

FRS 139 Financial Instruments: Recognition and Measurement (continued)

- **Debt securities**

  Prior to 1 January 2010, investments in debt securities were stated at amortised cost using the effective interest rate method. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 as available-for-sale financial assets or classified as held-to-maturity investments.

- **Impairment of trade receivables**

  Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

- **Inter-company loans**

  During the current and prior years, the Corporation granted interest-free or low-interest loans and advances to its subsidiaries. Prior to 1 January 2010, these loans and advances were recorded at cost in the Corporation's financial statements. Upon the adoption of FRS 139, the interest-free or low-interest loans or advances are recorded initially at a fair value that is lower than cost. The difference between the fair value and cost of the loan or advance is recognised as an additional investment in the subsidiary. Subsequent to initial recognition, the loans and advances are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

Improvements to FRS Issued in 2009

Amendments to FRS 117 Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the statement of financial position as at 31 December 2010 arising from the above change in accounting policy.

	Group 2010 RM Million	Corporation 2010 RM Million
Increase/(decrease) in:		
Property, plant and equipment	754	263
Land use rights	(754)	(263)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

Improvements to FRS Issued in 2009 (continued)

Amendments to FRS 117 Leases (continued)

The following comparatives have been restated:

Group	As previously stated RM Million	Adjustment RM Million	As restated RM Million
Statement of financial position			
31 December 2009			
Property, plant and equipment	6,125	760	6,885
Land use rights	860	(760)	100
1 January 2009			
Property, plant and equipment	4,692	604	5,296
Land use rights	698	(604)	94

Corporation	As previously stated RM Million	Adjustment RM Million	As restated RM Million
Statement of financial position			
31 December 2009			
Property, plant and equipment	74	260	334
Land use rights	260	(260)	-
1 January 2009			
Property, plant and equipment	65	263	328
Land use rights	263	(263)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective for financial period on or after 1 March 2010

Amendments to FRS 132: Financial Instruments: Presentation

Effective for financial period beginning on or after 1 July 2010

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations (revised)
Amendments to FRS 2 Share-based Payment
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 138 Intangible Assets
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendment to FRS 1: Limited exemption for comparative FRS 7. Disclosures for first-time adopters
Amendment to FRS 7: Improving disclosures about financial instruments
Additional exemptions for first-time adopters (Amendments to FRS 1)
Group cash-settled share-based payment transactions (Amendments to FRS 2)
IC Interpretation 4: Determined whether an arrangement contains a lease
IC Interpretation 18: Transfers of assets from customers
TR 3: Guidance: Disclosure of transition to IFRSs
TRi-4: Syariah compliance sale contracts

Effective for financial periods beginning on or after 1 January 2012

FRS 124: Related party disclosures (revised)

IC Interpretation 15: Agreements for the construction of real estate

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15 are described below.

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements (continued)

The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Corporation. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group’s share in the net fair value of the acquired subsidiary’s identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.10(a). Any excess of the Group’s share in the net fair value of the acquired subsidiary’s identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.6 Foreign currency

a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Corporation's functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Corporation and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency (continued)

c) Foreign operations (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation.The freehold land held by the Group in Malaysia have not been revalued since they were last revalued in 1997. The Directors have not adopted a policy of regular revaluation of such assets. As permitted under the transitional provisions of IAS16 (revised) property, plant and equipment, these assets are stated at their valuations, less accumulated depreciation.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings:	4 – 50 years
- Plant and equipment:	3 – 25 years
- Furniture and fixtures:	4 – 20 years
- Leasehold improvements and renovations:	10 years
- Restaurants and office equipment:	3 – 15 years
- Estate development expenditure:	17 – 20 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 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 brunches 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.

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. 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. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.10 Intangible assets

a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Corporation and are recorded in RM at the rates prevailing at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (continued)

b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

i) Brands

The brands were acquired in business combinations. The useful lives of the brands are estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

2.11 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.13 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Corporation's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.14 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Associates (continued)

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Corporation. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Corporation's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.15 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Corporation become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Corporation determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (continued)

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

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss.

Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

d) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (continued)

d) Available-for-sale financial assets (continued)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Corporation's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Corporation commit to purchase or sell the asset.

2.16 Impairment of financial assets

The Group and the Corporation assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Corporation consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group’s and the Corporation's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Impairment of financial assets

a) Trade and other receivables and other financial assets carried at amortised cost (continued)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Construction contracts

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 statements of financial position.

2.19 Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.20 Inventories

Inventories consist of raw materials, stores, work-in-progress and completed shops and houses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Inventories (continued)

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out basis/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.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Where the grant relates to an asset, the fair value is recognised as deferred capital grant in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.23 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Corporation become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Corporation that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Corporation have not designated any financial liabilities as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Financial liabilities (continued)

b) Other financial liabilities

The Group's and the Corporation's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.24 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Corporation incurred in connection with the borrowing of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) 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.

2.26 Leases

a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.28(g).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2.28 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) Rendering of services

Revenue from services rendered is recognised in proportion to the stage of completion at the reporting date. Stage of completion is assessed by reference to surveys and work performed.

c) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.19(ii).

d) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.18.

e) Interest income

Interest income is recognised using the effective interest method.

f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

g) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

  - where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

  - in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Income taxes (continued)

b) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.30 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Corporation who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.31 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Hedge Accounting

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the end of the reporting period is recognised in profit or loss. The gain or loss on the hedged item, except for hedge item categorised as available-for-sale, attributable to the hedged risk is adjusted to the carrying amount of the hedged item and recognised in profit or loss. For a hedge item categorised as available-for-sale, the fair value gain or loss attributable to the hedge risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

Hedge of a net investment

A hedge of a net investment is a hedge in the interest of the net assets of a foreign operation. In a net investment hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
CONTINUED

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

a) Classification of financial assets

The Group classifies financial assets as held-to-maturity investments when it has a positive intention and ability to hold the investment to maturity.

b) Impairment of available-for-sale investments

The Group reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. During the year, the Group impaired quoted and unquoted equity instruments with "significant" decline in fair value and "prolonged" period as greater than 12 months or more.

c) Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases. The Group assessed the following:

i) The land titles do not passed to the Group, and

ii) The rentals paid to the landlord for the commercial properties are increased to the market rent at regular intervals, and the Group does not participate in the residual value of the building.

Management judged that it retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as finance leases.

3.0 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of goodwill and brands

Goodwill, brands and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill and brands are allocated.

I When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and brands and sensitivity analysis to changes in the assumptions are given in Note 16.

b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 22.

c) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 23.

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4. REVENUE

	Group		Corporation	
	2010	2009 Restated	2010	2009
Goods sold	5,438	4,659	168	154
Property and industrial development	260	436	53	224
Healthcare services	1,243	1,460	-	-
Hotel and tourism services	56	61	-	-
Management services	112	100	-	-
Sale of short term term investments	20	12	19	12
Dividend income	3	5	141	102
Rental income	100	99	7	8
Parking and related services	112	111	-	-
Mailing and printing	37	34	-	-
Transportation services	45	26	-	-
Rendering of other services	98	86	-	-
	7,524	**7,089**	**388**	**500**

5. OTHER INCOME

The following items have been included in arriving at other income:

	Group		Corporation	
	2010	2009	2010	2009
- Amortization of government grant	22	21	6	16
- Bad debts recovered	-	1	-	2
- Changes in fair value of investment properties	15	-	17	-
- Changes in fair value of investments	8	-	3	-
- Gain on disposal of:				
Investment properties	-	9	2	3
Property, plant and equipment	1	15	-	-
Subsidiaries/associates	110	21	79	29
Other investments	108	-	109	-
- Gain on partial disposal of subsidiaries	47	-	15	-
- Interest Income	12	16	4	20
- Negative goodwill recognised	-	2	-	-
- Realised gain on foreign exchange	-	2	-	-
- Reversal of diminution in value of long term investments	-	21	-	10
- Reversal of impairment in investment in subsidiaries/associates	-	-	15	21
- Waiver/Write back of creditors	-	2	-	-
- Gain on exchange of estates	-	61	-	-
- Net gain arising on recognition of agriculture	66	-	-	-

6. OTHER EXPENSES

The following items have been included in arriving at other expenses:

	Group		Corporation	
	2010	2009	2010	2009
- Impairment of receivables	3	21	21	-
- Amortization of intangible assets	10	12	-	-
- Changes in fair value of investment properties	-	39	-	45
- Contribution for repurchase of unit trust	5	10	-	-
- Diminution in value of long term investments	-	5	-	-
- Operating expenses	45	-	-	-
- Loss on disposal of:				
Subsidiaries	-	4	-	-
Associates	19	-	-	-
Other investments	-	1	-	
Property, plant and equipment	-	26	-	-
Investment properties	-	-	2	-
- Liquidated ascertain damages expenses for house purchasers/doubtful debt	2	-	-	-
- Investment properties written off	-	5	-	-
- Legal and professional fees	2	-	-	-
- Realised loss on foreign exchange	-	32	-	-
- Amortisation of revaluation surplus	10	-	-	-
- Waqaf contribution	-	5	-	5

7. FINANCE COSTS

	Group		Corporation	
	2010	2009 Restated	2010	2009
Guaranteed Redeemable Islamic Bond	173	170	144	147
Term loan	101	75	-	-
Short term borrowings	63	22	38	27
Others	16	55	3	9
Total finance costs	353	322	185	183
Less: Amount capitalised to:				
Property, plant and equipment (Note 14)	(2)	(4)	-	-
Property development (Note 23)	-	(4)	-	-
	351	**314**	**185**	**183**

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8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The following items have been included in arriving at profit before tax from continuing operations:

	Group		Corporation	
	2010	2009 Restated	2010	2009
Bad debts written off	-	1	-	-
Hire of property, plant and equipment	262	10	-	-
Property, plant and equipment				
- Depreciation (Note 14)	419	374	10	7
- Impairment (Note 14)	47	11	-	-
- Written off	11	10	-	-
Land use rights:				
- Amortisation (Note 17)	2	1	-	3
Rental of offices and buildings	5	308	1	2

9. EMPLOYEE BENEFITS EXPENSE

	Group		Corporation	
	2010	2009	2010	2009
Wages, salaries and bonus	731	997	12	11
Defined contribution retirement plan	57	80	1	1
Other employee benefits	167	149	-	-
	955	1,226	13	12

10. 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	
	2010	2009	2010	2009
Non-executive directors:				
- Fees	882	882	882	882
Executive directors:				
- Fees	1,900	732	98	90
- Remuneration	2,586	798	454	798
Other short term employee benefits including estimated monetary value of benefits-in-kind	194	246	105	158
Defined contribution retirement plan	598	96	60	96
	6,160	2,754	1,599	2,024
Other key management personnel:				
- Short-term employee benefits	2,289	47,863	1,724	1,890
	8,449	50,617	3,323	3,914

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.

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11. TAX EXPENSE

	Group		Corporation	
	2010	2009 Restated	2010	2009
Current tax for the year:				
- Malaysia	146	132	-	-
- Foreign	80	51	-	-
Deferred tax:				
- Malaysia	10	10	(1)	1
- Foreign	44	39	-	-
Income tax attributable to continuing operations	280	232	(1)	1
Income tax attributatble to discontinued operation (Note 12)	(3)	8	-	-
Share of tax of associates	23	5	-	-
Total tax expenses	300	245	(1)	1
The total tax expense for the year relates to the following:				
- Current year	232	185	-	-
- Over provisions in prior years	(6)	(1)	-	-
	226	184	-	-
Deferred tax:				
- Origination and reversal of temporary differences	70	47	14	1
- (Over)/under provision in prior years	(16)	1	(15)	-
	54	48	(1)	1
Income tax attributable to continuing operations	280	232	(1)	1
Income tax attributatble to discontinued operation (Note 12)	(3)	8	-	-
Share of tax of associates	23	5	-	-
Total tax expenses	300	245	(1)	1

11. TAX EXPENSE (CONTINUED)

Reconciliation of effective tax expense:

	Group		Corporation	
	2010	2009 Restated	2010	2009
Profit before tax from continuing operations	962	700	118	100
Profit/(loss) before tax from discontinued operation (Note 12)	1	(30)	-	-
	963	670	118	100
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	241	168	29	25
Different tax rates in other countries	23	13	-	-
Effect of changes in tax rate	-	6	-	-
Non deductible expenses	118	133	52	34
Income not subject to tax	(94)	(84)	(67)	(59)
Deferred tax assets not recognised during the year	6	8	-	-
Recognition of previously unrecognized deferred tax asset	(1)	-	-	-
Others	6	(4)	-	-
Share of results of associates	23	5	-	-
Under/(over) provision in prior year:				
- Income tax	(6)	(1)	-	-
- Deferred tax	(16)	1	(15)	1
Tax expense	300	245	(1)	1

The Federal Government Gazette dated 16 August 2005 exempts Johor Corporation and certain of its subsidiaries from income taxes in respect of certain income 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.

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12. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 30 September 2010, the Group disposed off its subsidiary, Natural Oleochemicals Sdn Bhd.

The segment was not a discontinued operation or classified as held for sale as at 31 December 2009 and the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations. The management sold this oleochemical division due to the strategic decision to place greater focus in its more profitable and less risky plantation developments in Malaysia, Papua New Guinea and the Solomon Islands and also food chains division where the Group has extensive experience and infrastructure in place.

The effect of the disposal on the financial position of the Group was as follows:

	2010
Property, plant and equipment	294
Prepaid lease payments	6
Deferred tax assets	7
Inventories	107
Receivables	216
Derivatives financial instruments	19
Bank balances	10
Deferred tax liabilities	(6)
Trade and other payables	(67)
Loan and borrowings	(270)
Taxation	(1)
Net assets of the company	315
Minority interest	(34)
Net assets	281
Incidental cost	15
Gain on disposal	154
Proceeds from disposal	450
Less: Cash and cash equivalent	(10)
Group net cash inflow	440

12. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Statement of comprehensive income disclosures

The results of Group for the year ended 31 December 2010 are as follows:

	Group	
	2010 9 months	2009 12 months
Revenue	881	1,104
Cost of sales	(878)	(1,063)
Gross profit	3	41
Other income	28	2
Distribution expenses	(6)	(10)
Administrative expenses	(17)	(20)
Other expenses	-	(34)
Profit/(loss) from operations	8	(21)
Finance cost	(7)	(9)
Results from operating activities (Note 11)	1	(30)
Income tax (expense)/credit		
- Income tax	-	-
- Defered tax (Note 11)	(3)	8
Loss from discontinued operation, net of tax	(2)	(22)

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13. OTHER INVESTMENTS

		Shares				Subordinated	
				Outside	Warrant	bond	
		In Malaysia		Malaysia	in Malaysia	in Malaysia	Fund
Group 2010	**Total**	**Unquoted**	**Quoted**	**Unquoted**	**Quoted**	**Unquoted**	**Investment**
Non - current:							
Available-for-sale financial assets	232	2	48	-	166	5	11
	232	2	48	-	166	5	11
Current:							
Available-for-sale financial assets	145	-	8	-	-	-	137
Financial assets at fair value through profit or loss	21	-	21	-	-	-	-
Held to maturity	3	-	3	-	-	-	-
	169	-	32	-	-	-	137
	401	2	80	-	166	5	148
Representing items:							
At cost/amortised cost	7	2	-	-	-	5	-
At fair value	394	-	80	-	166	-	148
	401	2	80	-	166	5	148
Group 2009							
Non - current:							
At Cost	126	36	57	15	6	4	8
Less: Impairment loss	(71)	(34)	(36)	(2)	-	-	1
	55	2	21	13	6	4	9
Current:							
At Cost	110	16	49	12	-	-	33
Less: Impairment loss	(33)	(9)	(12)	(12)	-	-	-
	77	7	37	-	-	-	33
	132	9	58	13	6	4	42
Representing items:							
At cost/amortised cost	132	9	58	13	6	4	42
Market value of quoted investments	59	-	53	-	6	-	-

13. OTHER INVESTMENTS (CONTINUED)

Corporation 2010	Total	Quoted Shares in Malaysia
Non - current:		
Available-for-sale financial assets	14	14
	14	14
Current:		
Financial assets at fair value through profit or loss	10	10
	10	10
	24	24
Representing items:		
At cost/amortised cost	-	-
At fair value	24	24
	24	24

(a) Investments pledged as security

The Group's investment in quoted shares amounting to RM9,756,433 (2009: Nil) has been pledged as security for a bank facility. Under the terms and conditions of the loan, the Group is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

(b) Impairment losses

During the financial year, the Group recognised an impairment loss of RM10,420,472 (2009: RM47,709,560) and RM33,040,530 (2009: RM55,543,892) for quoted and unquoted equity instruments classified as available-for-sale financial assets respectively as there were "significant" or "prolonged" decline in the fair value of these investments below their costs.

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13. OTHER INVESTMENTS (CONTINUED)

Corporation 2009	Total	Unquoted	Quoted shares in Malaysia	Quoted Warrants in Malaysia	Fund Investment
Non - current:					
At Cost	7	4	2	-	1
Less: Impairment loss	(1)	-	-	-	(1)
	6	4	2	-	-
Current :					
At Cost	8	-	8	-	-
Less: Impairment loss	-	-	-	-	-
	8	-	8	-	-
Representing items:					
At cost/amortised cost	8	-	8	-	-
Market value of quoted investments	11	-	11	-	-

The comparative figures as at 31 December 2009 have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
Cost or valuation:							
At 1 January 2009							
- **As previously stated**	1,323	-	1,059	1,237	2,495	397	6,511
Effect of adopting amendment to FRS 117	-	661	-	-	-	-	661
At 1 January 2009, restated	1,323	661	1,059	1,237	2,495	397	7,172
Additions	33	63	120	25	351	735	1,327
Assets swap in	-	34	36	-	1	-	71
Assets swap out	-	(8)	(19)	(2)	(1)	-	(30)
Transfers	5	(1)	-	128	386	(524)	(6)
Disposals	(42)	(1)	-	(59)	(138)	(10)	(250)
Write off	-	-	(21)	(2)	(22)	-	(45)
Acquisition of subsidiaries	169	74	-	246	732	-	1,221
Exchange differences	1	-	(4)	(5)	6	1	(1)
Revaluation	16	-	-	-	-	-	16
At 31 December 2009 and 1 January 2010, restated	1,505	822	1,171	1,568	3,810	599	9,475
Additions	17	38	140	53	415	385	1,048
Transfers	-	-	-	76	435	(510)	1
Disposals	(2)	-	(7)	(13)	(62)	(1)	(85)
Write off	(2)	-	(5)	(4)	(17)	(3)	(31)
Acquisition of subsidiaries	5	33	464	149	174	21	846
Disposal of subsidiaries	(73)	(33)	-	(90)	(684)	(51)	(931)
Discontinued operation	-	(9)	-	(108)	(328)	-	(445)
Exchange differences	(1)	-	(55)	(40)	(65)	(40)	(201)
At 31 December 2010	**1,449**	**851**	**1,708**	**1,591**	**3,678**	**400**	**9,677**

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
Accumulated depreciation:							
At 1 January 2009							
- As previously stated	-	-	341	339	1,121	-	1,801
Effect of adopting amendments to FRS 117	-	57	-	-	-	-	57
At 1 January 2009, restated	-	57	341	339	1,121	-	1,858
Charge for the year (Note 8)	-	7	35	42	290	-	374
Assets swap out	-	(5)	(5)	(2)	(1)	-	(13)
Disposals	-	(1)	-	(1)	(109)	-	(111)
Write off	-	-	(21)	-	(13)	-	(34)
Transfers	-	(1)	-	2	-	-	1
Acquisition of subsidiaries	-	5	-	40	377	-	422
Exchange differences	-	-	(9)	-	2	-	(7)
Revaluation	-	-	-	-	(6)	-	(6)
At 31 December 2009 and 1 January 2010, restated	-	62	341	420	1,661	-	2,484
Charge for the year (Note 8)	-	6	48	32	333	-	419
Disposals	-	-	-	(4)	(52)	-	(56)
Write off	-	-	(5)	(3)	(12)	-	(20)
Transfers	-	-	-	-	(1)	-	(1)
Disposal of subsidiaries	-	-	-	(13)	(321)	-	(334)
Acquisition of subsidiaries	2	-	-	1	9	-	12
Discontinued operation	-	-	-	(20)	(131)	-	(151)
Exchange differences	-	-	(10)	(9)	(35)	-	(54)
At 31 December 2010	**2**	**68**	**374**	**404**	**1,451**	**-**	**2,299**

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
Accumulated impairment loss:							
At 1 January 2009	-	-	12	5	-	1	18
Acquisition of subsidiaries	59	-	-	23	(5)	-	77
Impairment loss (Note 8)	-	-	-	-	11	-	11
At 31 December 2009 and 1 January 2010	59	-	12	28	6	1	106
Impairment loss (Note 8)	-	-	-	11	36	-	47
At 31 December 2010	59	-	12	39	42	1	153
Net carrying amount:							
At 31 December 2009:	1,446	760	818	1,120	2,143	598	6,885
At 31 December 2010	1,388	783	1,322	1,148	2,185	399	7,225

Corporation	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
At cost or Valuation							
At 1 January 2009							
- **As previously stated**	1	-	71	62	81	1	216
Effects of adopting amendments to FRS 117	-	273	-	-	-	-	273
At 1 January 2009, restated	1	273	71	62	81	1	489
Additions	-	-	9	2	2	2	15
Write off	-	-	(1)	-	(2)	-	(3)
Transfer	-	-	-	1	1	(1)	1
At 31 December 2009 and 1 January 2010, restated	1	273	79	65	82	2	502
Addition	-	-	5	1	4	-	10
Transfer	-	-	-	-	2	(2)	-
Write off	-	-	-	(1)	(2)	-	(3)
Disposal	-	-	-	-	(1)	-	(1)
At 31 December 2010	**1**	**273**	**84**	**65**	**85**	**-**	**508**

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Corporation	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
Accumulated Depreciation							
At 1 January 2009							
- As previously stated	-	-	44	37	70	-	151
Effects of adopting amendment to FRS 117	-	9	-	-	-	-	9
At 1 January 2009, restated	-	9	44	37	70	-	160
Charge for the year (Note 8)	-	3	2	2	3	-	10
Write off	-	-	(1)	-	(2)	-	(3)
At 31 December 2009 and 1 January 2010, as restated	-	12	45	39	71	-	167
Charge for the year (Note 8)	-	3	1	3	3	-	10
Write off	-	-	-	(1)	(2)	-	(3)
Disposal	-	-	-	-	(1)	-	(1)
At 31 December 2010	**-**	**15**	**46**	**41**	**71**	**-**	**173**
Accumulated Impairment Losses							
At 1 January 2009							
- As previously stated	-	-	-	-	-	-	-
Effects of adopting amendment to FRS 117	-	1	-	-	-	-	1
At 31 December 2009 and 1 January 2010 , restated	-	1	-	-	-	-	1
At 31 December 2010	**-**	**1**	**-**	**-**	**-**	**-**	**1**
Carrying Amount							
At 31 December 2009	1	260	34	26	11	2	334
At 31 December 2010	1	257	38	24	14	-	334

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of property, plant and equipment acquired under finance leases of the Group amounted to RM28 million (2009: RM 46 million).

Included in additions of the Group is borrowing cost of RM 2 million (2009: RM 4 million) capitalised during the year (Note 7).

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,048 million (2009: RM1,264 million). The acquisition is settled through the following means:

	Group	
	2010	2009
Cash payment	1,012	1,258
Under finance lease	36	6
Total	1,048	1,264

As at 31 December 2010, property, plant and equipment of the Group and the Corporation with net book value of RM2,770 million (2009: RM2,316 million) and RM10million (2009: 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	
	2010	2009	2010	2009
Cost				
Freehold & leasehold land	265	353	1	1
Estate development expenditure	1,621	1,171	84	79
Buildings	1,604	1,223	65	65
Valuation				
Freehold land	1,252	1,152	-	-
Buildings	-	345	-	-
	4,742	4,244	150	145

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

If the total amounts of freehold land and buildings had been determined in accordance with the historical cost, they would have been stated as follows:

	Group		Corporation	
	2010	2009	2010	2009
Netbook value				
Freehold land	318	146	-	-
Buildings	1	195	-	-
	319	341	-	-

15. INVESTMENT PROPERTIES

	At Fair Value
Group	
At 1 January 2009	1,867
Additions	17
Acquisition	(38)
Changes in fair value	(39)
Write off	(5)
Reclassification	(5)
Transfer	7
At 31 December 2009 and 1 January 2010	1,804
Additions	131
Disposals	(36)
Changes in fair value	22
Transfer	4
Reclassification as held for sale	(21)
31 December 2010	**1,904**
Included in the above are:	
Freehold land	274
Short term leasehold land	14
Long term leasehold land	310
Buildings	1,206
As 31 December 2009	1,804

15. INVESTMENT PROPERTIES

	At Fair Value
Freehold land	257
Short term leasehold land	10
Long term leasehold land	350
Buildings	1,287
As at 31 December 2010	**1,904**

	At Fair Value	
	2010	2009
Corporation		
At 1 January	392	380
Additions	3	58
Disposals	(23)	(1)
Changes in fair value	17	(45)
Transfer	1	-
At December	390	392
Included in the above are:		
Freehold land	160	178
Short term leasehold land	-	185
Long term leasehold land	203	-
Buildings	27	29
As at 31 December	390	392

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15. INVESTMENT PROPERTIES (CONTINUED)

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 2010, investment properties of the Group and the Corporation with carrying amount of RM 215 million (2009: RM215 million) and RM 21 million (2009: RM 21million) respectively are pledged as security for borrowings. Investment properties of certain subsidiaries with carrying amount of RM 70 million (2009: RM 70 million) are in the process of being transferred to the names of subsidiaries. Investment properties of the Corporation with carrying amount of RM79 million (2009: RM79 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 36. 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 of 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 RM 4 million (2009: 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 receivables.

16. INTANGIBLE ASSETS

	Goodwill	Concession Rights	Group Franchise Rights	Brandname	Others	Total
Cost:						
At 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 1 January 2010	85	86	721	86	-	978
Acquisition of subsidiaries	11	-	5	-	145	161
Addition	9	8	-	-	1	18
Written off	-	(3)	-	-	-	(3)
Disposal of subsidiaries	(57)	-	-	-	-	(57)
Exchange translation differences	-	-	-	-	(5)	(5)
Transfer to associates	(6)	-	-	-	-	(6)
At 31 December 2010	**42**	**91**	**726**	**86**	**141**	**1,086**
Accumulated amortisation						
At 1 January 2009	-	9	-	-	-	9
Additions of subsidiaries	-	24	-	-	-	24
Amortisation	3	9	-	-	-	12
Write off	-	(8)	-	-	-	(8)
At 31 December 2009	3	34	-	-	-	37
Additions of subsidiaries	-	10	-	-	-	10
Write off	-	(3)	-	-	-	(3)
At 31 December 2010	3	41	-	-	-	44
Net carrying amount						
At 31 December 2009	82	52	721	86	-	941
At 31 December 2010	39	50	726	86	141	1,042

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16. INTANGIBLE ASSETS (CONTINUED)

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.

The aggregate carrying amounts of rights and goodwill allocated to each unit are as follows:

	Group 2010	Group 2009
Franchise Rights		
i) Quick Service restaurants (1)		
- Pizza Restaurants	287	282
- KFC Restaurants	439	439
Brandnames		
i) Integrated Poultry (1)		
- Ayamas	75	75
ii) Others	11	11
Goodwill:		
i) Healthcare Services (2)		
- Hospitals and Support Services	-	55
ii) Quick Services Restaurants (1)		
- KFC Restaurants	22	21
iii) Others	17	6
Others:		
i) Supplier relationship	140	-
ii) Others	1	-
	992	889

(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% (2009 :4%) which is in line with the estimated GDP growth rate for the country in which it operates. The assumptions used are as follow:

- 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.

16. INTANGIBLE ASSETS (CONTINUED)

(1) Quick Service Restaurants and Integrated Poultry (continued)

Franchise Rights and Brandnames (continued)

- A pre-tax discount rate of 6% - 8% (2009: 6% - 8%) 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.

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:

	2010 %	2009 %
Budgeted gross margin	-	28
Growth rate	-	7
Pre-tax discount rate applied to the cash flow projections	-	12
Terminal growth rate	-	5

The growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period.

Recoverable amount based on value in use

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.

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17. LAND USE RIGHTS AND OTHER ASSETS

	Group		Corporation	
	2010	2009	2010	2009
Land use rights	92	100	-	-
Other assets	-	3	-	-
	92	103	-	-

Land use rights

Group	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
Cost:			
At 1 January 2009 (as previously stated)	70	696	766
Effects of adopting amendments to FRS117	-	(661)	(661)
At 1 January 2009, restated	70	35	105
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)
	5	161	166
Effects of adopting amendments to FRS117	-	(161)	(161)
At 31 December 2009 and 1 January 2010 restated	75	35	110
Discontinued operation	-	(7)	(7)
At 31 December 2010	75	28	103

17. LAND USE RIGHTS AND OTHER ASSETS (CONTINUED)

Land use rights (continued)

Group	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
Accumulated Amortisation			
At 1 January 2009 (as previously stated)	9	57	66
Effects of adopting the amendments to FRS 117	-	(57)	(57)
At 1 January 2009, restated	9	-	9
Amortisation for the year (Note 8)	1	7	8
Asset swap out	-	(5)	(5)
Disposal	-	(1)	(1)
Acquisition of subsidiaries	-	5	5
Reclassification/Transfer	-	(1)	(1)
	1	5	6
Effects of adopting the amendments to FRS 117	-	(5)	(5)
At 31 December 2009 and 1 January 2010, restated	10	-	10
Amortisation for the year (Note 8)	-	2	2
Discontinued operation	-	(1)	(1)
	-	1	1
At 31 December 2010	10	1	11
Accumulated Impairment Losses			
At 1 January 2009	-	2	2
Reclassification	-	(2)	(2)
At 31 December 2009/2010	-	-	-
Carrying amount			
At December 2010	65	27	92
At December 2009, restated	65	35	100

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17. LAND USE RIGHTS AND OTHER ASSETS (CONTINUED)

Land use rights (continued)

Corporation	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
At Cost/Valuation			
At 1 January 2009 (As previously stated)	7	266	273
Effects of adopting amendments to FRS 117	(7)	(266)	(273)
At 1 January 2009, restated and 31 December 2010	-	-	-
Amortisation			
At 1 January 2009 (As previously stated)	1	8	9
Effects of adopting amendments to FRS 117	(1)	(8)	(9)
1 January 2009, restated	-	-	-
Amortisation of the year (Note 8)	-	3	3
	-	3	3
Effects of adopting the amendments to FRS 117	-	(3)	(3)
At 31 December 2009 and 1 January 2010, restated	-	-	-
At 31 December 2010	**-**	**-**	**-**

17. LAND USE RIGHTS AND OTHER ASSETS (CONTINUED)

Land use rights (continued)

Corporation	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
Impairment			
At 1 January 2009 (As previously stated)	1	-	1
Effects of adopting the amendments to FRS 117	(1)	-	(1)
1 January 2009, restated	-	-	-
Impaiment for the year	-	-	-
At 31 December 2009 and 1 January 2010 restated	-	-	-
Impairment for the year	-	-	-
At 31 December 2010	-	-	-
Carrying Amount			
At 31 December 2010	-	-	-

As at 31 December 2010, land use rights of the Group and of the Corporation with carrying amount of RM346 million (2009: RM346 million) and RM168 million (2009: RM 168 million) respectively were pledged as security for bank loans and borrowings.

Land use rights of the Corporation with carrying amount of RM89.19 million (2009: RM89.19 million) are registered in the name of a subsidiary and are in the process of being transferred to the name of the Corporation.

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18. INVESTMENT IN SUBSIDIARIES

	Corporation 2010	Corporation 2009
Shares, at cost:		
Quoted shares in Malaysia	909	645
Unquoted shares in Malaysia	1,727	1,585
Unsecured preference shares *	986	1,415
Less: Accumulated impairment	(1,114)	(922)
	2,508	2,723
Market value for quoted shares	2,298	1,915

* 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 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.

At 31 December, the carrying amounts of the above equity shares pledged are as follows:

	2010	2009
- Johor Land Berhad	386	386
- Kulim (Malaysia) Berhad	440	376
	826	762

	Net gain/loss on partial acquisition and disposal 2010	Net gain/loss on partial acquisition and disposal 2009
- Kulim (Malaysia) Berhad	3	(4)
- KPJ Healthcare Berhad	-	1
- QSR Brands Bhd	32	1
	35	(2)

The subsidiaries audit reports with modified opinion are indicated in the list of subsidiaries and associates on page 254 to 280.

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries in 2010

(a) Acquisition of Kula Palm Oil Limited (CTP(PNG) Limited)

On April 2010, the Group, via its indirect subsidiary New Britain Palm Oil Limited ("NBPOL"), successfully concluded the acquisition of Kula Palm Oil Limited (Kula) by securing control over the Company by acquiring 80% of the issued share capital of Kula.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Book value at acquisition date	Fair value adjustments	Recognised value on acquisition
Cash and cash equivalent	1	-	1
Trade and other receivables	66	-	66
Inventories	71	14	85
Property, plant and equipment	294	482	776
Intangible assets	-	145	145
Borrowings	(3)	-	(3)
Trade and other payables	(192)	-	(192)
Deferred tax liabilities	(163)	(72)	(235)
Net identifiable assets and liabilities	74	569	643
Less: Minority Interests on acquisition			(129)
Total purchase consideration			514
Settlement of intercompany payable			91
Total settlement in cash			605
Less: Cash and cash equivalent			(2)
Total cash outflow on acquisition			603

The fair values are provisional as the acquisition was completed from 30 June 2010. Provisional fair values may be used for a period of 12 months from acquisition.

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries in 2010 (continued)

(a) Acquisition of Kula Palm Oil Limited (CTP(PNG) Limited) (continued)

Effect of acquisition

The acquisition of subsidiary had the following effect on the Group's operating results, assets and liabilities as at 31 December 2010:

	8 months ended 31.12.2010
Statement of comprehensive income	
Revenue	368
Operating costs	(271)
Operating profit	97
Finance costs	-
Profit before tax	97
Income tax expense	(47)
Profit for the year	50
Less: Minority interests	(30)
Increase in the Group's net profit at the end of the financial year	20

	8 months ended 31.12.2010
Statement of financial position	
Property, plant and equipment	739
Currents assets	76
Current liabilities	(39)
Deferred tax liabilities	(247)
Minority interests	(174)
Net assets acquired/Group's share of net assets	355
Intangible assets on acquisition	140
Increase in the Group's net assets	495

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries in 2010 (continued)

(b) Acquisition of equity interest in Damansara Realty Berhad

On 30 June 2010, the Group acquired additional 43,628,700 ordinary shares in Damansara Realty Berhad (DBhd) representing 17.44% of the issued and paid-up share capital of DBhd for a total purchase consideration of RM45 million ("the Acquisition"). Following the Acquisition, the Corporation's shareholdings in DBhd increased from 30.83% to 54.24%, thereby effectively making DBhd a subsidiary of the Group.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts	Fair value adjustments	Recognised value on acquisition
Property, plant and equipment	7	-	7
Land held for property development	66	-	66
Other investment	3	-	3
Intangible assets	1	-	1
Property development cost	185	-	185
Deferred tax assets	1	-	1
Inventories	1	-	1
Trade and other receivables	51	-	51
Cash and bank balances	2	-	2
Borrowing	(26)	-	(26)
Trade and other payables	(176)	-	(176)
Net identifiable assets and liabilities	115	-	115
Minority interests	-	-	(53)
Fair value interest recognized as an associate previously	-	-	(17)
Consideration paid, satisfied in cash	-	-	45
Cash and cash equivalent acquired	-	-	(2)
Net cash outflow	**-**	**-**	**43**

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2010 (continued)

(b) Acquisition of equity interest in Damansara Realty Berhad (continued)

Effect of acquisition

The acquisition of subsidiary had the following effect on the Group's operating results, assets and liabilities as at 31 December 2010:

	12 months ended 31.12.2010
Income Statement	
Revenue	63
Operating costs	(69)
Operating loss	(6)
Finance costs	(2)
Profit before tax	(8)
Income tax expense	(1)
Loss for the year	(9)
Less: Minority interests	-
Increase in the Group's net profit at the end of the financial year	(9)
Statement of financial postion:	
Property, plant and equipment	3
Land held for property development	37
Investment properties	4
Intangible assets	1
Current assets	264
Current liabilities	(198)
Long term borrowing	(4)
Minority interests	(50)
Net assets acquired/Group's share of net assets	57
Fair value interest recognized as an associates previously	(17)
Increase in the Group's net assets	40

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2010 (continued)

Disposals of subsidiaries in 2010

(a) Disposal of equity interest in Natural Oleochemicals Sdn Bhd and its subsidiaries

In September 2010, the Group via its subsidiary, Kulim (M) Bhd disposed its entire equity interest in Natural Oleochemicals Sdn Bhd and its subsidiaries as disclosed in Note 12 & 41(9).

(b) Partial disposal of equity interest in KPJ Healthcare Berhad

During the year, the Corporation disposed off 7.14% of its equity interest in KPJ Healthcare Bhd ("KPJ") for a consideration of RM91 million. Following the disposal, the Group's shareholdings in KPJ decreased from 50.02% to 42.88%, thereby, effectively making KPJ an associate of the Group on 30 September 2010.

The disposal had the following effect on the financial position of the Group at the reporting date:

	RM Million
Property, plant and equipment	566
Investment properties	25
Interest in associates	304
Available-for-sale financial assets	1
Intangible assets	123
Inventories	15
Deferred tax	39
Trade and other receivables	289
Tax recoverable	10
Cash and bank balances	200
Long term borrowings	(287)
Deposits	(15)
Deferred tax liabilities	(16)
Trade and other payables	(235)
Short term borrowing	(129)
Current tax liabilities	(1)
Deferred revenue	(41)
Dividend payable	(13)
Total net assets disposed	835
Minority interests	(469)
Fair value interest recognized as an associate previously	(319)
	47
Gain on disposal	44
Proceed from disposal	91

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2009 (continued)

(a) Acquisition of KFC Holdings (Malaysia) Bhd ("KFCH")

In previous year, 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.

The acquisition of KFCH had the following effect on the Group's operating results, assets and liabilities on acquisition date:

	Book value at date of acquisition	Fair value adjustment	Recognized 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'.

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2009 (continued)

(a) 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 expense	(57)
Profit for the year	133

b) 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 2009, 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.

c) Acquisition 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.

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2009 (continued)

c) Acquisition of hospitals by KPJ Healthcare Berhad Group ("KPJ") (continued)

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.

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 and settled in cash	(14)	(1)	-	(15)
Goodwill on acquisition	(5)	-	-	(5)

d) Acquisition 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

19. INVESTMENT IN ASSOCIATES

	Group 2010	Group 2009	Corporation 2010	Corporation 2009
Quoted shares in Malaysia, at cost	133	461	132	240
Quoted shares outside Malaysia	26	-	-	-
Less: Accumulated impairment	-	-	-	(179)
	159	461	132	61
Unquoted shares in Malaysia	124	126	48	48
Share of post acquisition retained profits and reserves less losses	224	(166)	-	-
	507	421	180	109
Market value for quoted shares	159	283	-	61

Summary of financial information on associates:

	Country of incorporation	Effective ownership interest	Revenue	Profit	Total assets	Total liabilities
2010						
KPJ Healthcare Berhad^#	Malaysia	42.48%	433	37	1,675	815
Bertam Properties Sdn Bhd	Malaysia	20.00%	110	34	203	40
Panca Pesona Sdn Bhd	Malaysia	40.00%	6	-	85	54
TPM Management Sdn Bhd	Malaysia	38.39%	10	5	126	31
Union Industries Sdn Bhd	Malaysia	23.79%	3	-	9	-
Revertex (M) Sdn Bhd	Malaysia	26.20%	518	92	240	156
			1,080	168	2,338	1,096

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19. INVESTMENT IN ASSOCIATES (CONTINUED)

Summary of financial information on associates: (continued)

	Country of incorporation	Effective ownership interest	Revenue	Profit/ (loss)	Total assets	Total liabilities
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

^ Listed on the Main Market of Bursa Malaysia Securities Berhad
* Became a subsidiary in 2010
• Disposed in 2010 or classified as assets held for sale whereby equity accounting no longer applies
Became an associate in 2010

20. ASSETS HELD FOR SALE

	Group 2010	2009
Assets classified as held for sale:		
Property, plant and equipment	5	103
Investment in an associate	13	13
Land and development expenditure	4	6
Investment properties	36	2
	58	124

Included in assets classified as held for sale are mainly:

i) RM13.5 million (2009: RM13.5 million) relating to disposal of MM Vitaoils Sdn Bhd, an associate of Sindora Berhad. As at the date of this report, the sale has not been completed.

ii) RM21 million (2009: RMNil) relating to disposal of investment properties of Damansara Assets Sdn Bhd.

21. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

	Group		Corporation	
	2010	2009	2010	2009
Property, plant and equipment	2	11	-	-
Receivables	-	2	-	2
Provisions	22	8	-	-
Unutilised tax losses	22	28	7	-
Unutilised reinvestment allowances	-	21	20	-
Others	41	16	-	-
	87	86	27	2
Offsetting	(1)	(13)	-	(2)
Deferred tax assets (after offsetting)	86	73	27	-
Property, plant and equipment	(713)	(582)	(2)	(8)
Investment properties	3	4	-	-
Unutilised tax losses	18	36	-	-
Provisions	4	-	-	-
Receivables	(24)	-	(24)	-
Revaluation reserves	(52)	-	(7)	-
Others	(28)	(11)	-	-
	(792)	(553)	(33)	(8)
Offsetting	1	13	-	2
Deferred tax liabilities (after offsetting)	(791)	(540)	(33)	(6)

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21. DEFERRED TAX (CONTINUED)

Movement of deferred tax assets and liabilities during the year are as follows:

	Group		Corporation	
	2010	2009	2010	2009
At 1 January	(451)	(385)	(6)	(6)
(Charged)/credited to Statement of Comprehensive Income				-
- Property, plant and equipment	(2)	(69)	-	-
- Investment properties	(1)	1	-	-
- Recognised in profit or loss	(62)	-	-	-
- Recognised in other comprehensive income	28	-	-	-
- Tax losses	22	32	6	-
- Provisions	17	(2)	18	-
- Receivables	(24)	(2)	(24)	-
- Others	(3)	1	-	-
	(476)	(424)	(6)	(6)
Charged to equity	-	(10)	-	-
Acquisition of subsidiaries	(240)	(33)	-	-
Currency translation differences	12	-	-	-
Others	(1)	-	-	-
At 31 December	(705)	(467)	(6)	(6)

Unrecognised deferred tax assets

The amount of deductible temporary differences and unused tax losses (both of which have no expiry) for which no deferred tax assets recognised are as follows:

	Group	
	2010	2009
Unabsorbed capital allowance	31	32
Unutilised tax losses	214	259
	245	291

22. TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2010	2009	2010	2009
Current				
Trade receivables	587	1,010	31	69
Less: Allowance for doubtful debts	(40)	(107)	(4)	(5)
	547	903	27	64
Other receivables	148	282	76	19
Less: Allowance for doubtful debts	(14)	(16)	(1)	(1)
	134	266	75	18
Deposits	125	230	24	24
Less: Allowance for doubtful debts	-	(96)	-	-
	125	134	24	24
	806	1,303	126	106
Amount due from related parties	-	-	2,004	-
Amount due from subsidiaries	-	-	-	1,705
Less: Allowance for doubtful debts	-	-	(903)	(884)
	-	-	1,101	821
Amount due from associates	89	87	78	79
Less: Allowance for doubtful debts	(19)	-	-	-
	70	87	78	79
	876	1,390	1,305	1,006

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, the management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

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22. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency profile of receivables and deposits is as follows:

	Group		Corporation	
	2010	2009	2010	2009
- Ringgit Malaysia	591	953	1,305	1,006
- PNG Kina	60	84	-	-
- US Dollar	220	348	-	-
- Indonesia Rupiah	3	-	-	-
- Singapore Dollar	2	-	-	-
- Others	-	5	-	-
	876	1,390	1,305	1,006

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group
	2010
Neither past due nor impaired	349
1 to 30 days past due not impaired	69
31 to 60 days past due not impaired	14
61 to 90 days past due not impaired	17
91 to 120 days past due not impaired	17
More than 121 days past due not impaired	68
More than 365 days	53
	587

The comparative figures as at 31 December 2009 have not been presented based on the new disclosure requirement resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.

23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Future Development

	Group		Corporation	
	2010	2009	2010	2009
At cost				
Freehold land	10	7	-	-
Leasehold land	18	147	3	3
Development expenditure	52	58	19	19
At 1 January	80	212	22	22
Cost incurred during the year				
Freehold land	66	5	-	-
Leasehold land	9	-	-	-
Development expenditure	2	2	1	2
	77	7	1	2
Less: Charged to Statement of Comprehensive Income:				
Freehold land	(31)	(2)	-	-
Leasehold land	-	(107)	-	-
Development expenditure	(11)	(2)	-	(2)
	(42)	(111)	-	(2)
Transfer from/(to) current development (Note 23(b))				
Freehold land	-	-	-	-
Leasehold land	-	(22)	-	-
Development expenditure	2	(6)	2	-
	2	(28)	2	-
At 31 December	117	80	25	22
At cost:				
Freehold land	46	10	-	-
Leasehold land	26	18	3	3
Development expenditure	45	52	22	19
At 31 December	117	80	25	22

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23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Current Development

	Group		Corporation	
	2010	2009	2010	2009
At cost				
Freehold land	28	35	-	-
Leasehold land	35	19	-	-
Development expenditure	1,016	802	568	496
At 1 January	1,079	856	568	496
Cost incurred during the year				
Freehold land	-	3	-	-
Leasehold land	-	1	-	-
Development expenditure	161	165	63	73
	161	169	63	73
Cost recognised as an expense in Statement of Comprehensive Income:				
- previous year	(513)	(446)	(409)	(325)
- current year	(101)	(206)	(23)	(83)
	(614)	(652)	(432)	(408)
Transfer from/(to):				
Future development				
Leasehold land	-	22	-	-
Development expenditure	(2)	6	(9)	-
Property, plant & equipment	(44)	(2)	-	(2)
Asset held for sale	-	(3)	-	-
Inventories	(24)	(21)	-	-
Investment properties	-	(11)	-	-
	(70)	(9)	(9)	(2)
At 31 December	556	364	190	159

Included in the development expenditure during the year are the following item:

	Group	
	2010	2009
Interest expenses (Note 7)	2	4

23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Current Development (continued)

Development land for the Group with carrying amount of RM274 million (2009: RM125 million) are pledged as security for borrowings.

Development land of the Johor Corporation at carrying amount of RM180 million (2009: RM45 million) are charged to a licensed bank for the Redeemable Secured Certificates facility amounting to RM195.3 million (2009: RM195.3 million).

As at 31 December 2010, land with carrying amount of RM339 million (2009: RM329 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 (2009: 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.

Land with carrying amount of RM24 million (2009: RM23 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.

24. INVENTORIES

	Group		Corporation	
	2010	2009	2010	2009
Stores and materials	197	275	1	2
Stock of produce	429	76	1	6
Finished goods	87	225	-	-
Work in progress	1	1	-	-
	714	577	2	8
Shops and houses	40	37	7	4
Land and buildings	37	41	45	52
	791	655	54	64

Inventories of the Corporation at carrying amount of RM2 million (2009: RM12 million) are pledged as security for borrowings.

Inventories of the Corporation with carrying amount of RM12 million (2009: RM12 million) are registered in the name of subsidiaries and are in the process of being transferred to the Corporation.

The title of certain leasehold land of the Corporation with carrying amount of RMNil million (2009: RM1.5 million) is in the process of being issued by the relevant authorities.

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25. OTHER CURRENT ASSETS

	Group		Corporation	
	2010	2009	2010	2009
Prepayments	24	47	1	-
Progress billings receivables	-	12	-	-
Amount due from customers on contracts (Note 26)	5	4	-	-
	29	63	1	-

26. AMOUNT DUE FROM CUSTOMERS ON CONTRACTS

	Group	
	2010	2009
Construction contract costs incurred to date	42	30
Attributable profits	2	3
	44	33
Less: Progress billings	(39)	(29)
Amount due from customers on contracts (Note 25)	5	4

27. DERIVATIVES FINANCIAL INSTRUMENTS

	Group	
	2010	2009
Forward contracts		
- Current liabilites	150	-
- Non current liabilites	25	-
	175	-

The Group, via its indirect subsidiary, NBPOL entered into a number of hedge contracts in relation to future sales of palm oil. The purpose of these transactions is to protect the level of income in future years. It is not the Group policy to engage in speculative hedging activities.

At 31 December 2010, the estimated fair value of the total hedge program was USD56.6 million, equivalent to RM175 million, out-of-the-money (31 December 2009: USD10 million, equivalent to RM30.9 million, out-of-the-money).

At the fair value contract price plus 10 per cent, the estimated fair value of the total hedge program at 31 December 2010 would be approximately USD70 million, equivalent to RM216 million, out-of-the-money. Conversely at the fair value contract price less 10 per cent the estimated fair value would be USD43.3 million, equivalent to RM133.6 million, out-of-the-money. The fair value contract price for forward sale and purchase contracts is estimated based on quotes from the market makers of these instruments and represents the estimated amounts that the Group would expect to receive or pay to terminate the agreements at the end of reporting period.

27. DERIVATIVES FINANCIAL INSTRUMENTS (CONTINUED)

As all hedge transactions are highly effective, all gains and losses relating to their remeasurement to fair value are recognised in the hedge reserve within equity and subsequently brought to account in the statement of comprehensive income in the same period as the physical sales transaction occurs to which the hedges relate.

The estimated net amount of gains/(losses) contained in the hedge reserve which are expected to be reclassified to earnings within the next twelve (12) months were as follows:

	Group	
	2010	2009
Forward contracts	(150)	-
Deferred taxation	45	-
	(105)	-

The estimated net amount of gains/(losses) contained in the hedge reserve which are expected to be reclassified to earnings beyond twelve (12) months were as follows:

	Group	
	2010	2009
Forward contracts	(25)	-
Deferred taxation	7	-
	(18)	-

28. CASH AND BANK BALANCES

	Group		Corporation	
	2010	2009	2010	2009
Cash at banks and on hand	385	427	1	8
Fixed deposits with:				
Licensed banks	277	273	77	41
Licensed finance institutions	6	5	-	-
Cash and bank balances	668	705	78	49

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28. CASH AND BANK BALANCES (CONTINUED)

Included in the deposits with licensed banks are the following amount subject to restrictions:

	Group		Corporation	
	2010	2009	2010	2009
- Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	17	12	-	-
- Restricted usage under the Restructuring Corporate Master Plan	4	-	4	-
- Restricted usage under the Redeemable Secured Certificates Scheme	53	32	53	32
	74	44	57	32

The currency profile of cash and cash equivalent is as follows:

	Group		Corporation	
	2010	2009	2010	2009
- Ringgit Malaysia	632	638	78	49
- US Dollar	26	26	-	-
- Indonesia Rupiah	2	6	-	-
- PNG Kina	6	4	-	-
- Australia Dollar	-	4	-	-
- Pound Sterling	-	24	-	-
- Others	2	3	-	-
	668	705	78	49

The weighted average interest rates of deposits, bank and cash balances that were effective at the balance sheet date were as follows:

	Group		Corporation	
	2010	2009	2010	2009
- Deposits with licensed banks	3.19%	2.77%	7.16%	7.16%
- Deposits with licensed financial institutions	2.50%	2.50%	-	-

Deposits of the Group and of the Corporation have an average maturity 267 days (2009: 247 days) and 644 days (2009: 644 days) respectively.

Included in cash and bank balances of the Group is an amount of RM20 million (2009: RM11 million) of which the utilisation is subject to the Housing Developers (Housing Development Account) Regulations 2002.

29. OTHER LONG TERM LIABILITIES

	Group		Corporation	
	2010	2009	2010	2009
Government grant	42	41	3	1
Other long term payables	64	65	-	-
Land lease rental received in advance	40	51	-	-
Others	3	28	-	-
	149	185	3	1
Government Grant				
At cost				
At 1 January	185	206	20	12
Grant received during the year	23	15	7	7
At 31 December	208	221	27	19
Accumulated Amortisation				
At 1 January	144	151	18	2
Amortisation for the year	22	21	6	16
Transfer to Statement of Comprehensive Income	-	8	-	-
At 31 December	166	180	24	18
Balance as at 31 December	42	41	3	1

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 of Johor (Incorporation) ("SSI"). These amounts are unsecured, non-interest bearing and are repayable as follows:

	Group	
	2010	2009
Under 1 year	5	5
1 - 2 years	5	5
2 - 3 years	5	5
Over 3 years	49	50
Carrying amount	64	65
Estimated fair value	31	34

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29. OTHER LONG TERM LIABILITIES (CONTINUED)

Land lease rentals received in advance:

	Group	
	2010	2009
At Cost		
At 1 January	55	53
Additions	-	2
Reversal	(10)	-
At 31 December	45	55
Accumulated amortisation		
At 1 January	4	2
Realisation of income for the year	1	2
Balance as at 31 December	5	4
Carrying amount as at 31 December	40	51

This represents money received in advance from sub leases for period of 30 to 60 years.

30. LOANS AND BORROWINGS

	Group		Corporation	
	2010	2009	2010	2009
Non-current				
Secured:				
- Redeemable secured certificates	182	195	182	195
- Finance lease	21	24	-	-
- Term loans	1,010	1,245	-	-
- Islamic debt securities	383	355	-	-
- Bridging loan	-	-	-	-
Unsecured:				
- Guaranteed redeemable Islamic bonds	2,769	2,654	2,769	2,654
- Term loans	112	121	-	-
- Commercial papers	-	249	-	-
- Federal government loans	31	17	31	17
	4,508	4,860	2,982	2,866

30. LOANS AND BORROWINGS (CONTINUED)

	Group		Corporation	
	2010	2009	2010	2009
Current				
Secured:				
- Bank overdrafts	75	92	-	-
- Revolving credits	432	429	-	-
- Islamic committed revolving credit facility/ Scheduled payment arrangement	400	400	400	400
- Redeemable secured certificates	-	16	-	-
- Finance lease	8	-	-	-
- Term loans	1,000	246	-	-
- Islamic debt securities	26	30	-	-
- Bridging loans	-	32	-	-
Unsecured:				
- Bank overdrafts	12	39	-	-
- Revolving credits	23	130	-	-
- Term loans	103	30	-	-
- Federal government loans	61	62	61	62
- Other short tem borrowings	-	263	-	-
- Bankers Acceptance	9	-	-	-
- Advances from shareholder of a subsidiary	2	-	-	-
	2,151	1,769	461	462
Total loans and borrowings	6,659	6,629	3,443	3,328

As highlighted in Note 41, the total borrowings of the Group and Corporation amounting to approximately RM3.35 billion is due on 31 July 2012. The Board of Directors (BOD) has appointed financial advisors to restructure the said debts. As at the date of this report, the restructuring plan has yet to be finalized. The BOD is however confident that the debt restructuring scheme would be successful.

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30. LOANS AND BORROWINGS (CONTINUED)

The table below summarizes the repayment terms of the Group's and the Corporation's loans and borrowings:

2010	Year of Maturity	Carrying amount	Under 1 year	Under 1-2 years	Under 2-5 years	Over 5 years
Secured:						
- Bank Overdrafts	On demand	75	75	-	-	-
- Revolving credits	-	432	432	-	-	-
- Islamic committed revolving credit facitlity/Scheduled payment arrangement ("CRCF/SPA")	2012	400	400	-	-	-
- Redeemable Secured Certificate ("RSCs")	2012	182	-	182	-	-
- Finance lease	2011 - 2015	29	8	8	13	-
- Term loans	2011 - 2021	2,034	1,001	133	431	469
- Islamic debt securities	2011 - 2015	384	25	-	140	219
Unsecured:						
- Bank Overdrafts	On demand	12	12	-	-	-
- Revolving credits	-	23	23	-	-	-
- Term loan	2011 - 2015	215	103	26	86	-
- Federal government loans	2011 - 2022	92	61	6	11	14
- Guaranteed redeembale islamic bonds ("GRIBs")	2012	2,769	-	2,769	-	-
- Bankers' Acceptance	On demand	10	10	-	-	-
- Advances from shareholder of a subsidiary	On demand	2	2	-	-	-
Total		6,659	2,152	3,124	681	702

30. LOANS AND BORROWINGS (CONTINUED)

2009	Year of Maturity	Carrying amount	Under 1 year	Under 1-2 years	Under 2-5 years	Over 5 years
Secured:						
- Bank Overdrafts	On demand	92	92	-	-	-
- Revolving credits	-	429	429	-	-	-
- Bridging loan	2010	32	32	-	-	-
- Islamic committed revolving credit facitlity/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 - 2012	1,491	246	247	402	596
- Islamic debt securities	2010 - 2015	385	30	-	105	250
Unsecured:						
- Bank Overdrafts	On demand	39	39	-	-	-
- Revolving credits	-	130	130	-	-	-
- Term loan	2010 - 2015	151	30	59	17	45
- Federal government loans	2010 - 2021	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

	Group 2010	Group 2009
Finance lease liabilities		
Minimum lease payments:		
- Not later than 1 year	10	18
- Later than 1 year and not later than 2 years	9	12
- Later than 2 years and not later than 5 years	13	13
- More than 5 years	-	1
	32	44
Future finance charges on finance leases	(3)	(4)
Carrying amount of finance lease liabilities	29	40
Non-current	22	24
Current	7	16
	29	40

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30. LOANS AND BORROWINGS (CONTINUED)

	Group		Corporation	
	2010	2009	2010	2009
	%	%	%	%
Weight average effective interest rates of borrowings at the balance sheet date:				
- Bank overdrafts	7.39	6.66	-	-
- Revolving credits	4.66	4.38	-	-
- Term loans	5.34	5.50	-	-
- Federal government loans	5.70	5.98	5.70	5.98
- Other short term borrowings	3.73	2.89	-	-
- Bridging loan	-	7.04	-	-
- Finance lease	4.46	4.46	-	-
- Commercial papers	-	2.44	-	-

Group borrowings: Period of maturity or repricing

	1 year	Not later than 2 years	Later than 1 year and not later than 5 years	Later than 2 years and not later than 5 years	Total
As at 31 December 2010					
- Fixed	328	3,008	170	451	3,957
- Floating	1,883	53	509	257	2,702
	2,211	3,061	679	708	6,659
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

30. LOANS AND BORROWINGS (CONTINUED)

Corporation borrowings: Period of maturity or repricing

	1 year	Not later than 2 years	Later than 1 year and not later than 5 years	Later than 2 years and not later than 5 years	Total
As at 31 December 2010					
- Fixed	61	2,957	11	14	3,043
- Floating	400	-	-	-	400
	461	2,957	11	14	3,443
As at 31 December 2009					
- Fixed	62	-	2,848	18	2,928
- Floating	400	-	-	-	400
	462	-	2,848	18	3,328

The currency profile of loans and borrowings are as follows:

	Group 2010 %	Group 2009 %	Corporation 2010 %	Corporation 2009 %
Ringgit Malaysia	5,767	6,432	3,443	3,328
US Dollar	755	47	-	-
PNG Kina	137	150	-	-
	6,659	6,629	3,443	3,328

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 Carrying amount	Group Fair value	Corporation Carrying amount	Corporation Fair Value
2010				
Term loans – fixed rate	2,215	2,215	-	-
Guaranteed Redeemable Islamic bonds	2,769	2,456	2,769	2,456
Redeemable Secured Certification	182	174	182	174
2009				
Term loans – fixed rate	701	529	-	-
Guaranteed Redeemable Islamic bonds	2,653	2,527	2,653	2,527
Redeemable Secured Certification	195	164	195	164

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30. LOANS AND 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.

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Corporation (continued)

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
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 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

(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 Maturing/ 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 as stated in paragraph (i) and (ii) above are guaranteed by the State Government of Johor.

The Series 1 and 2 of GRIBs and RSCs have been repaid in July 2007 and July 2009 respectively.

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30. LOANS AND BORROWINGS (CONTINUED)

Subsidiaries

(a) In connection with the significant term loan facilities granted to Kulim (Malaysia) Bhd, the subsidiary has agreed on the following significant covenants with the lenders:

(i) 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,

(ii) the ratio of the total borrowings to the consolidated shareholders' funds at all time, to be below 0.5 times,

(iii) 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,

(iv) the subsidiary will continue to maintain at least 50.1% of the issued and paid-up capital of QSR Brands Bhd, and

(v) 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 14,15,17 and 18.

The bank overdraft is secured by the letter of support from Johor Corporation, a body corporate established under the Johor Corporation Enactment (No 4 of 1968), (as amended by Enactment no.5 of 1995). The term loans are secured by way of legal charges over certain properties of the Group and the Company. The term loans of the Group and of the Company are repayable over a period of 6 years commencing 3 months after the date of initial disbursement facility.

(b) On 31 July 2009, The Group through its subsidiary, Damansara Assets Sdn Bhd obtained Short Term Revolving Credit ("STRC") to finance the resheduled bond payment to the ultimate holding corporation due on 31 July 2009. The STRC is payable within 6 months from its disbursement with an option to extend for the 6 months, or upon receipt of proceeds from the disposal of investment properties of the subsidiary as indicated or whichever is earlier.

On 29 July 2010, Damansara Assets Sdn Bhd has obtained approval from the licensed bank to extend repayment to 30 April 2011.

The STRC is secured by:

(i) assignment of proceeds to be received from the disposal of investment properties of the subsidiaries;

(ii) pledge of 38% of the listed shares in Kulim (Malaysia) Berhad subject to minimum 2 times cover over the facility amount throughout the tenure together with party Memorandum of Charge On Shares, the shares are to be registered under Mayban Nominees (Tempatan) Sdn Bhd; and

(iii) execution of charge in escrow over investment properties of the Subsidiary.

30. LOANS AND BORROWINGS (CONTINUED)

Subsidiaries (continued)

(c) During the year pursuant to a Islamic Programme Agreement between Tanjung Langsat Port Sdn Bhd and MIDF - Amanah Investment Bank Berhad ("MIDF Investment") and a Sukuk Trust Deed between one of the subsidiary and Equity Trust (Malaysia) Berhad dated 25 April 2008, for the proposed of issuance of RM 250 million Sukuk Musyarakah Bond ("Sukuk") comprising of 6 tranches and up to RM135 million Musyarakah Commercial Paper ("MCP") based on Islamic Financing principle of Musyarakah.

The Sukuk is repayable on maturity ranging between 6 years to 11 years for Sukuk and 2 years to 4 years for MCP from the date of issuance. The borrowings are subject to profit rate ranging between 6.40% to 6.94% and 4.98% and 6.26% per annum and profit is payable semi-annually on each tranches and Commercial Paper for Sukuk and MCP respectively.

The limit of the facilities is RM385 million and the subsidiary has unutilised balance of RM97 million as at year end.

Proceed from Sukuk was and will be utilised for the following purposes:

(i) Repayment of existing borrowing;

(ii) Capital expenditure for expansion of existing jetty and the construction of storage tank;

(iii) Funding of the profit reserve to be deposited into Finance Service Reserve Accounts;

(iv) Fees and expenses in relation to the isuance of Sukuk and MCP; and

(v) For capital expenditure and working capital requirement of the subsidiary.

The Sukuk was secured on a pari passu basis over:

1. First Party Deed of Assignment on

   (a) 83.5 acres of land identified as Plot 25, Tanjung Langsat Industrial Area, Johor beneficially owned by Tanjung Langsat Port Sdn. Bhd. pursuant to the sale and purchase agreement dated 30 October 1999 between one of the subsidiary and its holding corporation;

   (b) 50 acres of land identified as plot 25B, Tanjung Langsat Industrial Area, Johor beneficially owned by Tanjung Langsat Port Sdn. Bhd. pursuant to the sale and purchase agreement dated 9 August 2000 between one of the subsidiary and its holding corporation;

   (c) 20 acres of land identified as Plot 25F, Tanjung Langsat Industrial Area, Johor beneficially owned by Tanjung Langsat Port Sdn. Bhd. pursuant to the sale and purchase agreement dated 10 August 2007 between one of the subsidiary and its holding corporation.

2. A debenture incorporating a fixed and floating charge over the existing and future assets of Tanjung Langsat Port Sdn. Bhd.

3. An assignment of all insurance policies in form and substance satisfactory to MIDF Investment.

4. An assignment of all Revenue of Tanjung Langsat Port Sdn. Bhd.; and

5. An assignment and charge over the Designated Accounts and monies standing to the credit of the accounts, including Permitted Investments.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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31. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2010	2009	2010	2009
Trade payables	729	709	45	49
Other payables	644	781	272	194
Amount owing to related companies	-	-	470	-
Trade accruals	53	75	37	36
Accrued billings (property development)	2	-	-	-
Amount due to other shareholders of subsidiaries	7	8	-	-
Amount due to subsidiaries	-	-	-	551
Provision	15	-	-	-
Amount due to associates	2	1	-	-
	1,452	1,574	824	830

Foreign currency profile of trade and other payables is as follows:

	Group		Corporation	
	2010	2009	2010	2009
- Ringgit Malaysia	1,291	1,425	824	830
- PNG Kina	93	61	-	-
- US Dollar	11	73	-	-
- Singapore Dollar	52	-	-	-
- Others	5	15	-	-
	1,452	1,574	824	830

32. OTHER CURRENT LIABILITIES

	Group	
	2010	2009
Progress billings payables	2	1

33. RESERVES

(a) Capital reserves

The capital reserves of the Group and the Corporation mainly comprise revaluation reserve arising from revaluation of property, plant and equipment and land use rights.

(b) Hedge reserves

The hedge reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occured.

(c) Currency fluctuation reserves

The currency fluctation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operation where functional currencies are different from that of the Group's presentation currency.

(d) Fair value adjustment reserves

The fair value adjustment reserves comprise the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

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34. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group or the Corporation if the Group or 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	
	2010	2009
Paid/Payable to subsidiaries:		
Purchases of FFB	68	72
Management fees	5	3
Purchase of investment properties	1	58
Guaranteed return to a subsidiary	3	3
Receipt/Receivable from subsidiaries:		
Sale of investment in certain subsidiaries	-	4
Sale of property, plant and equipment	25	-
Sale of development land	-	3
Interest income	3	17
Dividend	108	90

	Group	
	2010 RM'000	2009 RM'000
A charitable organisation in which the spouse of a Director is the chairman:		
- Donation	-	140
- Sales of properties to Directors	-	2,018
- Donation to a foundation in which a Director is the chairman	-	190

35. COMMITMENTS

a) Capital commitments

	Group 2010	Group 2009	Corporation 2010	Corporation 2009
Authorised capital expenditure not provided for in the financial statements:				
- Contracted for	160	472	28	49
- Not contracted for	360	467	-	-
	520	939	28	49
Analysed as follows:				
- Property, plant and equipment	462	736	-	-
- Development expenditure	28	149	28	49
- Investment property	29	48	-	-
- Land use rights	1	6	-	-
	520	939	28	49

b) Non-cancellable operating lease commitments

	Corporation 2010	Corporation 2009
The future minimum lease payments:		
- Not later than 1 year	30	250
- Later than 1 year and not later than 5 years	-	739
- More than 5 years	-	380
	30	1,369

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36. CONTINGENCIES

Secured

	Corporation 2010	Corporation 2009
Bank/Corporate Guarantee given to third parties	1	5

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 18.

Unsecured

	Group 2010	Group 2009	Corporation 2010	Corporation 2009
Potential claims by third parties	9	9	-	-

As at 31 December 2010, the Group, via its indirect subsidiary, New Britain Palm Oil Limited, had contingent liabilities in respect of legal claims in the ordinary course of business pertaining to land disputes, employee issues and GST disputes. The Group has disclaimed all liability in all cases and is vigorously defending these actions. It is not practical to estimate the potential effect of these claims but legal advice indicates that any liability that may arise in the unlikely event these claims are successful will not be significant.

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.

37. CATEGORIES OF FINANCIAL INSTRUMENTS

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

(a) Loans and receivables (L&R);

(b) Fair value through profit or loss (FVTPL);

- Held for trading (HFT), or
- Designated upon initial recognition (DUIR);

(c) Available-for-sale financial assets (AFS);

(d) Held-to-maturity investment (HTM); and

(e) Other financial liabilities measured at amortised cost (OL).

	Carrying amount	L&R	FVTPL-HFT	FVTPL-DUIR	AFS	HTM
2010						
Financial assets						
Group						
Other investments	401	-	21	-	377	3
Trade and other receivables	876	876	-	-	-	-
Cash and cash equivalents	668	668	-	-	-	-
	1,945	1,544	21	-	377	3
Corporation						
Other investments	24	-	10	-	14	-
Trade and other receivables	1,305	1,305	-	-	-	-
Cash and cash equivalents	78	78	-	-	-	-
	1,407	1,383	10	-	14	-

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37. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amount	OL	Derivatives designated as hedging instrument
2010			
Financial liabilities			
Group			
Loans and borrowings	6,659	6,659	-
Trade and other payables	1,454	1,454	-
Derivatives financial instruments	175	-	175
	8,288	8,113	175
Corporation			
Loans and borrowings	3,443	3,443	-
Trade and other payables	824	824	-
	4,267	4,267	-

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Corporation are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Treasury and Head of Credit Control. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Corporation do not apply hedge accounting.

The following sections provide details regarding the Group's and the Corporation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Corporation's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Corporation minimise credit risk by dealing exclusively with high credit rating counterparties.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

a) Credit risk (continued)

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

During the financial year, the Group has adopted a new policy to enter into trade credit insurance for first-time customers who wish to trade on credit terms in order to mitigate heightened credit risks arising from revenue growth strategies.

Exposure to credit risk

At the reporting date, the Group's and the Corporation's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values
- A nominal amount of RM18.4 million (2009: RM15.4 million) relating to a corporate guarantee provided by the Corporation to a bank on a subsidiary's bank loan.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Corporation's trade receivables at the reporting date are as follows:

	Group			
	2010		2009	
	RM	% of Total	RM	% of Total
- Ringgit Malaysia	591	67	953	69
- US Dollar	220	25	348	25
- PNG Kina	60	8	84	6
- Indonesia Rupiah	3	-	-	-
- Singapore Dollar	2	-	-	-
- Others	-	-	5	-
	876	100	1,390	100

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

a) Credit risk (continued)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 22. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 22.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Corporation will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Corporation's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Maturity analysis

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

Group 2010	Carrying amount	Contractual interest rate/ coupon %	Contractual cash flow	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years
Non-derivative financial liabilities:							
Term loans							
- Secured	2,034	5.34	2,034	1,001	133	431	469
- Unsecured	215	5.34	215	103	26	86	-
Finance lease liabilities							
- Secured	29	4.46	29	8	8	13	-
Bank overdraft							
- Secured	71	7.39	71	71	-	-	-
- Unsecured	12	7.39	12	12	-	-	-
Bankers' acceptances							
- Unsecured	10	3.73	10	10	-	-	-
Revolving credit							
- Secured	836	4.66	836	836	-	-	-
- Unsecured	23	4.66	23	23	-	-	-
Redeemable secured certificates	182	-	182	-	182	-	-
Islamic Debt Securities	384	5.40	384	25	-	140	219
Guaranteed Redeemable Islamic Bonds ("GRIB")	2,769	5.05	2,769	-	2,769	-	-

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Liquidity risk (continued)

Maturity analysis (continued)

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

Group 2010	Carrying amount	Contractual interest rate/ coupon %	Contractual cash flow	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years
Federal government loans-unsecured	92	5.70	92	61	6	11	14
Advances from shareholder of a subsidiary	2	-	2	2	-	-	-
Trade and other payables	1,452	-	1,452	1,452	-	-	-
	8,111		8,111	3,604	3,124	681	702
Derivative financial liabilities							
Forward sales and purchase contracts (gross settled) - cash flow hedges:							
Outflow	175		321	321	-	-	-
Inflow	-		(559)	(493)	(66)	-	-
	8,286		7,873	3,432	3,058	681	702
Corporation							
2010							
Non-derivative financial liabilities							
Guaranteed Redeemable Islamic Bonds ("GRIB")							
- Secured	2,769	5.05	2,769	-	2,769	-	-
Revolving credit							
- Secured	400	4.66	400	400	-	-	-
Redeemable secured certificates	182	-	182	-	182	-	-
Secured Islamic Bond	-	5.40	-	-	-	-	-
Federal government loans-unsecured	92	5.70	92	61	6	11	14
Trade and other payables	824	-	824	824	-	-	-
	4,267		4,267	1,285	2,957	11	14

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Corporation's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Corporation's exposure to interest rate risk arises primarily from their loans and borrowings, loans at floating rates given to related parties and investments in debt securities classified as available-for-sale. The Group does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. The Corporation's loans at floating rate given to related parties form a natural hedge for its non-current floating rate bank loan. All of the Group's and the Corporation's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2009: less than 6 months) from the reporting date.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps.

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

	Group 2010	Corporation 2010
Fixed rate instruments		
Term loans		
- Secured	524	-
- Unsecured	40	-
Finance lease liabilities		
- Secured	29	-
Bank overdraft		
- Secured	1	-
Bankers' acceptance		
- Unsecured	9	-
Revolving credit		
- Secured	36	-
- Unsecured	22	-
Redeemable secured certificates	182	182
Islamic debt securites	250	-
Guaranteed Redeemable Islamic Bond	2,769	2,769
Federal government loans-unsecured	92	92
Advances from a shareholder of a subsidiary	2	-
	3,956	3,043

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

c) Interest rate risk (continued)

	Group 2010	Corporation 2010
Floating rate instruments		
Term loans		
- Secured	1,509	-
- Unsecured	175	-
Bank overdraft		
- Secured	70	-
- Unsecured	12	-
Revolving credit		
- Secured	800	400
- Unsecured	1	-
Islamic debt securities	135	-
	2,702	400

Sensitivity analysis for interest rate risk

	Group	
	Profit net of tax	Equity
Interest rate		
- increase by 100 basis point	600	600
- decrease by 100 basis point	(600)	(600)
Interest rate		
- decrease by 200 basis point	(1,200)	(1,200)
- increase by 200 basis point	1,200	1,200

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM and Kina. The foreign currencies in which these transactions are denominated are mainly US Dollars (“USD”).

The Group requires all of its operating entities to use forward currency contracts to eliminate the currency exposures on any individual transactions in excess of RM100,000 for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group’s policy not to enter into forward contracts until a firm commitment is in place. It is the Group’s policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and Kina exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group Profit net of tax	Equity
USD - strengthened 3%	29	34
- weakened 3%	(29)	(34)
USD - strengthened 4%	38	45
- weakened 4%	(38)	(45)
KINA - strengthened 3%	3	3
- weakened 3%	(3)	(3)
KINA - strengthened 4%	4	4
- weakened 4%	(4)	(4)

e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia, whereas the quoted equity instruments outside Malaysia are substantially listed on the London Stock Exchange. These instruments are classified as held for trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk.

39. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and to maintain an optimal capital structure so as to comply with debt covenants and regulatory requirements.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected cash flows, projected capital expenditures and projected strategic investment opportunities.

Management monitors capital based on a net gearing ratio. The gearing ratio is calculated as net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group	
	2010	2009
Bank borrowings	6,659	6,629
Less: Cash and cash equivalents	(668)	(705)
Net debt	5,991	5,924
Total Equity	5,035	4,742
Debt-to-equity ratios	1.19	1.25

There were no changes in the Group's approach to capital management during the financial year.

There is a capital requirement imposed by the Bank Negara to an indirect subsidiary which involves in insurance broking and consultancy. As at to date, the subsidiary has complied with the requirement for shareholder's funds of a minimum of RM600,000 at any point of time.

As at 31 December 2010, the Group has recorded a 12-month loan facility of USD200 million secured by its major subsidiary, NBPOL, in respect of the Kula acquisition. The loan is due for repayment on 15 April 2011. As at the date of this report, the loan of USD200 million will be settled by a five (5)-year loan facility of USD240 million secured from a consortium of local and foreign banks as mentioned in Note 41(25) to the financial statements.

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40. SEGMENT INFORMATION

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 land use rights.

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.

40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Dis-continued Operation	Group
Group - 2010								
External sales	2,413	1,248	400	324	3,036	985	(882)	7,524
Intersegment sales	-	-	-	-	-	-	-	-
Total sales	2,413	1,248	400	324	3,036	985	(882)	7,524
Results								
Segment results (external)	732	154	64	14	277	121	(8)	1,354
Unallocated income								14
Unallocated costs								(125)
Profit from operations								1,243
Finance costs								(351)
Share of results of associates	-	40	-	2	-	28	-	70
Profit before tax								962
Tax expenses								(280)
Profit after tax from continuing operation								682
Gain on sale of discontinued operation								152
Profit for the year								834

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40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
Group - 2010							
Other information							
Segment assets	6,567	114	3,291	468	1,475	859	12,774
Associates	-	186	18	-	-	303	507
Unallocated assets							1,103
Consolidated total assets							14,384
Segment liabilities	2,516	19	1,591	400	846	4,159	9,531
Unallocated liabilities							(182)
Consolidated total liabilites							9,349
Capital expenditure	361	-	1	98	261	13	734
Depreciation & amortisation	183	1	5	24	118	52	383

40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Elimination	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
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
Representing by:								
Profit from continuing operation								468
Loss from discontinued operation								(22)
Profit for the year								446

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40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

	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 liabilites							9,056
Capital expenditure	417	204	6	131	221		1,332
Depreciation & amortisation	140	47	6	22	104		375

40. SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format - Business segments

	Sales (External)		Total Assets		Capital Expenditure	
	2010	2009	2010	2009	2010	2009
Group						
Malaysia	6,064	6,183	10,859	9,376	421	925
Indonesia	20	21	17	18	-	3
Papua New Guinea	243	275	3,001	1,886	313	335
United Kingdom	109	-	-	102	-	69
Rest of Asia	-	430	-	-	-	-
Rest of Europe	1,076	1,099	-	-	-	-
Other countries	12	185	-	-	-	-
	7,524	8,193	13,877	11,382	734	1,332
Associates			507	421		
Unallocated assets			-	1,995		
Total assets			14,384	13,798		

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

1. During the year, Johor Paper & Publishing Sdn Bhd's subsidiary company , Johor Logistics Sdn Bhd had jointly acquired quoted shares with its ultimate holding corporation take-over offer through OSK Investment Bank Berhad. The subsidiary company had obtained bridging loan facilities from the said bank in order to acquire 10,949,411 units of the quoted shares. The shares were offered at a cash consideration of RM0.80 per share.

2. On 30 December 2010, Johor Paper & Publishing Sdn Bhd's subsidiary company, Langsat Marine Base Sdn Bhd (formerly known as Trilink Multiple Sdn Bhd) had entered into a Sale and Purchase Agreement with a related company to purchase lands known as PLO 46B, PLO 46C, PLO 119 and PLO 120 situated at Tanjung Langsat Industrial Area, Pasir Gudang measuring approximately 39.41 acres for a purchase consideration of RM43.88 million. The lands were for a lease term of 60 years.

3. On 25 February 2010, Kulim (Malaysia) Berhad announced that NBPOL had on 24 February 2010 agreed to acquire 80% of the shares in CTP (PNG) Limited. The acquisition was completed in April 2010. CTP (PNG) Limited now renamed as Kula Palm Oil Limited.

4. On 1 March 2010, JTP Trading Sdn. Bhd. announced that Kulim (Malaysia) Berhad, together with its subsidiary, JTP Trading Sdn Bhd., had entered into a Sale and Purchase of Shares Agreement with Kamarulzaman Othman with regard to the disposal of 20,000 ordinary shares representing 10% of JTP Trading Sdn. Bhd. share capital for a total consideration of RM88,200.

5. On 9 March 2010, Kulim (Malaysia) Berhad 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. However on 22 September 2010 both parties agreed not to pursue with the agreement due to unforeseen circumstances.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

6. On 9 March 2010, Kulim (Malaysia) Berhad announced that it has accepted the offer from JCorp for the lease of part of land held under PTB 18322 HS(D) 475165 Mukim Bandar Johor Bahru, Johor Bahru measuring in total 20,297 square feet at a total lease consideration of RM5 million.

7. On 12 March 2010, Kulim (Malaysia) Berhad announced to propose lease arrangement of part of land held under PTB 18322 HS(D) 475165 Mukim Bandar Johor Bahru from Johor Corporation.

8. On 30 April 2010, Kulim (Malaysia) Berhad announced that it had agreed to transfer its 49% equity interest in Nexsol Singapore (S) Pte. Ltd. ("Nexsol (S)") to Peter Cremer (Singapore) GMBH ("Peter Cremer") and Peter Cremer agreed to transfer its 49% equity interest in Nexsol (M) Sdn. Bhd. ("Nexsol (M)") to Kulim (Malaysia) Berhad.

9. On 21 July 2010, Kulim (Malaysia) Berhad proposed to dispose its entire 91.38% equity interest in Natural Oleochemicals Sdn. Bhd. ("NATOLEO"), comprising 186,560,000 ordinary shares of RM1.00 each in NATOLEO for a cash consideration of RM450,000,000. The disposal was completed on 20 September 2010.

10. On 12 August 2010, Kulim (Malaysia) Berhad announced that Kulim via its subsidiaries, had on even date acquired the entire issued and paid up share capital of eight (8) companies, intended to be used for the intra-company entrepreneur development scheme called Kulim Intrapreneurship Scheme ("the Scheme").

11. On 3 November 2010, Kulim (Malaysia) Berhad announced to propose:

    (a) Share split involving the subdivison of every one (1) existing ordinary share of RM0.50 each held in Kulim ("Kulim share(s)" or "share(s)") into two (2) ordinary shares of RM0.25 each ("subdivided share(s)"("proposed share split");

    (b) Bonus issue of new subdivided shares ("bonus share(s)") on the basis of one (1) bonus share for every one (1) subdivided share held after the proposed share split ("proposed bonus issue");

    (c) Increase in authorised share capital of Kulim (Malaysia) Berhad from RM200,000,000 comprising 400,000,000 shares to RM500,000,000 comprising 2,000,000,000 subdivided shares ("proposed increase in authorised share capital");

    (d) Amendments to the memorandum and articles of association of Kulim ("proposed amendments"); and

    (e) Issue of free warrants in Kulim ("warrant(s)") on the basis of one (1) warrant for every eight (8) subdivided shares held after the proposed share split and the proposed bonus issue ("proposed free warrants issue")

    The abovementioned proposed exercises was approved by shareholders at an Extraordinary General Meeting held on 10 February 2011.

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

12. On 27 January 2010, KFCH announced that it had through Roaster's Chicken Sdn Bhd entered into several subscription Agreement incorporating Shareholders' Agreement with the following parties:

    (a) Masnawi bin Mohamed Soa'aid and Rasamas Bukit Tinggi Sdn Bhd

    (b) Mohd Faizal bin Awang Soh and Rasamas Kota Bharu Sdn Bhd

    The agreements enable the parties to subscribe ordinary shares representing up to 10% equity interest in the respective companies arising from the implementation of the Rasamas Intrapreneur Scheme.

13. On 27 January 2010, KFCH announced that it had re-organised its group structure involving the transfer of the Rasamas Intrapreneur Companies, arising from the implementation of the Group's Rasamas Intrapreneur Scheme, to the following:

    (a) Rasamas Wangsa Maju Sdn Bhd acquired Rasamas BC Sdn Bhd. Rasamas BC Sdn Bhd is intended to house the operations of the Rasamas Batu Caves outlet; and

    (b) Rasamas Tebrau Sdn Bhd acquired Rasamas Terminal Larkin Sdn Bhd. Rasamas Terminal Larkin Sdn Bhd is intended to house the operations of the Rasamas Terminal Larkin outlet.

14. On 17 February 2010, KFCH announced that it had re-organised its group structure involving the transfer of Ayamazz Sdn Bhd from Ayamas Food Corporation Sdn Bhd to KFC Marketing Sdn Bhd.

15. On 9 July 2010, KFCH announced the termination of the respective agreements entered into between Roaster's Chicken Sdn Bhd, a wholly-owned subsidiary of KFCH, and the following due to the resignation of the Rasamas Intrapreneur Parties (see definition below):

    (a) Ahmad bin Ali and Rasamas Larkin Sdn Bhd; and

    (b) Musa bin Putit and Rasamas Taman Universiti Sdn Bhd

16. On 2 December 2010, KFCH announced that it had through Roaster's Chicken Sdn Bhd entered into several Subscription Agreements incorporating Shareholders' Agreements with the following parties:

    (a) Lim Siew Hong and Rasamas Melaka Sdn Bhd; and

    (b) Mohd Ikmal Nizam bin Nordin and Rasamas Nilai Sdn Bhd

    The agreements enable the parties to subscribe/ purchase ordinary shares representing up to 10% equity interest in the respective companies arising from the implementation of the Rasamas Intrapreneur Scheme.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

17. On 23 March 2010, Sindora Bhd entered into a conditional Share Purchase Agreement with Commerce-KNB Agro Teroka Sdn Bhd in relation to the sale and purchase of 3,800,000 Redeemable Convertible Cumulative Preference Shares ("RCCPS") of par value 1 sen each being the entire issued preference share capital of Microwell Sdn. Bhd. ("Microwell") for RM4,500,000 cash.

    The proposed acquisition was completed on 23 April 2010. Concurrently, Sindora Bhd converted portions of the RCCPS into 1,500,000 ordinary shares of RM1 each in Microwell, representing 60% of the enlarged ordinary share capital of Microwell.

18. On 11 June 2010, Sindora Bhd entered into a Sale and Purchase Agreement with Mr. Jeyaratnam a/l Velupillai, Dato' Abdul Kadir Bin Mohd Deen, Dr Jagjit Singh a/l Bhagwan Singh and Dato' Mohd Shahrom Bin Mohamad in relation to the sale and purchase 1,125,000 of ordinary shares of par value RM1 each in MIT Insurance Brokers Sdn Bhd ("MIT"), representing 90% of the equity interest, for RM2,025,000.

    The proposed acquisition was duly completed on 23 July 2010.

19. During the year, Sindora Bhd's 51%-owned subsidiary, E.A. Technique Sdn Bhd has acquired additional 4,600,000 equity shares of RM 1 each, representing approximately 12% equity interest in Orkim Sdn. Bhd. ("Orkim"), making Orkim a 49.9% owned associate of the Group.

    On 31 January 2011, the Group has exercised its call option pursuant to the Subscription and Shareholders agreement to acquire additional 1% equity interest in Orkim. Thereafter, Orkim becomes a subsidiary of the Group.

20. On 13 December 2010, Metro Parking (M) Sdn Bhd ("Metro"), a 75% subsidiary of Sindora Bhd had disposed off 2,000,000 ordinary shares of HK$1.00 each representing 40% shareholding for HK$2,000,000 cash or HK$1.00 each to Mr Paul Emmanuel Cornish; and 250,000 ordinary shares of HK$1.00 each representing 5% shareholding for HK$250,000 cash or HK$1.00 each to Mr Tyrone Lopez. After the Proposals, Metro HK will become a 55% subsidiary of Metro.

21. Debt restucturing scheme
    As at 31 December 2010, the total borrowings of the Group and Corporation amounted to approximately RM6.6 billion and RM3.44 billion respectively of which RM3.35 billion is due on 31 July 2012. The Board of Directors (BOD) has appointed financial advisors to restructure the said debts. As at the date of this report, the restructuring plan has yet to be finalized. The Board of Directors is however confident that the debt restructuring scheme would be successful.

22. On 6 November 2009, DBhd proposed to undertake the following proposals:

    (a) the proposed share exchange involving the exchange of 250,140,754 ordinary shares of RM0.50 each in DBhd ("DBhd Shares") representing the entire issued and paid-up share capital of DBhd with the issuance of 150,084,452 new ordinary shares of RM 0.50 each Insan Kualiti Sdn Bhd ("IKSB") ("IKSB Shares"), currently a wholly-owned subsidiary of DBhd at an issue price of RM0.80 per new IKSB Share and a total cash payment amounting to RM80,045,041 to the existing shareholders of DBhd on the basis of RM0.60 new IKSB Share and payment of approximately RM0.32 in exchange for every one (1) DBhd share held;

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

22. On 6 November 2009, DBhd proposed to undertake the following proposals: (continued)

    (b) the proposed acquisitions by IKSB of the following companies from JCorp group of companies

        (i) 100% of the equity interest in Tanjung Langsat Port Sdn Bhd comprising 97,000,000 ordinary shares of RM1.00 each for an indicative purchase consideration of approximately RM249.05 million and;

        (ii) 100% of the equity interest in TPM Technopark Sdn Bhd comprising 20,048,000 ordinary shares of RM1.00 each for an indicative purchase consideration of approximately RM54.80million.

        The total consideration of approximately RM303.85 million is to be satisfied by the issuance of 229,727,770 new IKSB shares at an issue price of RM0.80per IKSB Share and the remaining RM120.07 million to be set off against the amount due from JCorp for proposal (c);

    (c) the proposed disposal of 250,140,754 ordinary shares of DBhd representing the entire issued and paid-up share capital of DBhd by IKSB to JCorp for a consideration of RM200,112,603 to be satisfied by cash of approximately RM80.05 million and the remaining RM120.07 million to be set off against amount due to JCorp for proposal (b) and;

    (d) the proposed transfer of the listing status of DBhd on the Main Market of Bursa Malaysia Securities Berhad to IKSB.

    IKSB on 6 November 2009 entered into a conditional share purchase agreement for proposal 22(b) and a conditional share sale agreement for proposal 22(c) with JCorp.

    On 6 May 2010, DBhd announced that the date of fulfillment for the proposed acquisitions and the proposed disposal was extended to 6 November 2010.

    Further to the announcement on 6 May 2010, DBhd on 14 July 2010 announced the deferment of the scheme, pending resolution of issues between DBhd and JCorp pertaining to the proposed acquired companies .The said scheme is in progress and an appropriate announcement will be made upon resolution of the said issues.

23. Conditional take over offer from JCorp and Johor Logistics Sdn Bhd

    (a) On 30 April 2010, DBhd received a Notice of Conditional Take-Offer (“Notice”) from JCorp and Johor Logistics Sdn Bhd. (“JLSB”), (collectively known as the “Joint Offerors”) to acquire all the remaining ordinary shares of RM0.50 each in DBhd (“DBhd Shares”) not already owned by the Joint Offers (“Offer Shares”) at an offer price of RM0.80 per Offer Share to be satisfied wholly in cash (“Offer”). The offer was approved by Bursa Malaysia Securities Berhad.

    (b) The Offer is conditional upon the Joint Offerors having received valid acceptances by 5 p.m. on 3 June 2010 (“Closing Date”) or such other extended or revised Closing Date as may be decided by the Joint Offerors which would result in the Joint Offerors and their parties acting in concert holding in aggregate, together with such DBhd Shares that are already acquired, held or entitled to be acquired more than 50% of the voting shares of DBhd.

    (c) On 7 June 2010,the Joint Offerors extended the Closing Date of the Offer to 17 June 2010.

    (d) The Offer was completed on 17 June 2010 with the Joint Offerors holding 53.79% of DBhd Shares.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

24. On 14 January 2011, the Group via its indirect subsidiary NBPOL, entered into a Deed of Transfer with PT Ivo Mas Tunggal and Madascar Capital Pte Limited for the disposal of its 50% interest in PT Damitama mas Sejahtera an associate of NBPOL, for an amount of USD14.4million (net of duties and taxes payable) pursuant to the Conditional Sale and Purchase Agreement dated 17 December 2010. The cash was received on 14 January 2011 and has subsequently been placed in a 30 day rolling short term deposit together with the final dividend received from the associate of USD3.1million (net of taxes payable), to be used for payment of the current tax liabilities of NBPOL once they are assessed by the taxation authorities.

25. On 31 March 2011, the Group via its indirect subsidiary, NBPOL entered into a Facility Agreement with a consortium of local and foreign bank for a USD240 million five year facility, the proceeds of which will be used to repay the USD200 million 12-month facility taken out for the acquisition of Kula (due for repayment on 15 April 2011), and the balance for various capital projects and working capital. The following securities have been provided against this facility:

    - registered equitable mortgage over all the assets and undertakings of the NBPOL Group except for two subsidiaries, Ramu Agri Industries Limited and New Britain Oils Limited; and

    - registered mortgage leasehold over all state lease and sub leases greater than 500 hectares comprising all available land and buildings owned by NBPOL.

    The facility comprises a USD120 million Tranche 1 and USD120 million Tranche 2. The principal amount outstanding under Tranche 1 shall be repaid in 18 quarterly instalments of USD6.3 million commencing 6 months from the first drawdown and a final instalment of USD6.6 million. The principle amount outstanding under Tranche 2 shall be repaid at maturity.

26. On 1 November 2010, KFCH announced that it has via its wholly-owned subsidiary, Ayamas Food Corporation Sdn Bhd, entered into Sale and Purchase of Shares Agreements for the acquisition of the entire issued and paid-up share capital of Southern Poultry Farming Sdn Bhd, Synergy Poultry Farming Sdn Bhd, Ventures Poultry Farm Sdn Bhd and Agrotech Farm Solutions Sdn Bhd for a total cash consideration of RM1,111,951.

27. On 7 March 2011, QSR Brands Bhd announced that it has incorporated a wholly- owned subsidiary, Integrated Poultry Industry (Kampuchea) Private Limited, for the purpose of operating broiler and processing production in Phnom Penh, Cambodia.

28. On 11 March 2011, KFCH announced that it has via its subsidiary, Ayamas Shoppe Sdn Bhd (formerly known as Kedai Ayamas Sdn Bhd), incorporated a company, ie. Ayamas Shoppe (Sabah) Sdn Bhd pursuant to the Joint Venture Agreement dated 27 October 2010 with Rastamas Trading Sdn Bhd for the purpose of operating Kedai Ayamas business in Sabah.

29. On 25 February 2010, Kulim (Malaysia) Bhd 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.

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

30. 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.

31. On 7 January 2009, a subsidiary, Bukit Damansara Development Sdn. Bhd. (“BDDSB”) has entered into a Joint Venture Agreement (“JVA”), with its immediate holding company, Damansara Assets Sdn. Bhd. (“DASB”), and a third party, Impian Ekspresi Sdn. Bhd. (“IESB”). Under the terms of the agreement, IESB shall acquire and redevelop Pusat Bandar Damansara Complex together with a piece of land adjacent to it.

    In consideration, BDDSB 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 undertaken on the Pusat Bandar Damansara Complex only.

    As at the date of this report, the agreement has lapsed and it is currently still under negotiation.

32. On 5th January 2011, a subsidiary, Langsat Marine Base Sdn Bhd had entered into a banking facility agreement, Commodity Murabahah Term Financing-I Facility (CMTF-i) of up to RM250 million from Maybank Islamic Berhad. The loan is secured by several parcels of its land measuring approximately 83 acres, third party charge over the other subsidiary company’s land approximately 180 acres and third party charge over marketable securities. The margin of profit charged are Base Financing Rate (“BFR”) plus 4% per annum or 10% whichever higher. The profit shall be serviced quarterly in arrears, commencing from the first month after date of its first disbursement of the CMTF-i facility. The loan will be paid by bullet payment at the end of facility tenure.

LIST OF SUBSIDIARIES AND ASSOCIATES

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS				
A PALM OIL				
ACTIVE COMPANIES				
Kulim (Malaysia) Berhad #	Holding company, manufacturing and oil palm plantation	Malaysia	55.47	51.98
EPA Management Sdn Bhd	Investment holding, provision of management services and consultancy, and mechanical equipment assembler	Malaysia	55.47	51.98
Kumpulan Bertam Plantations Berhad	Oil palm plantation	Malaysia	52.41	49.12
Kulim Plantations (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	55.47	51.98
Mahamurni Plantations Sdn Bhd	Oil palm plantation	Malaysia	55.47	51.98
Pembangunan Mahamurni Sdn Bhd	Investment holding	Malaysia	55.47	51.98
United Malayan Agricultural Corporation Bhd	Oil palm plantation	Malaysia	55.47	51.98
Pristine Bay Sdn Bhd	Investment holding	Malaysia	77.29	75.51
Selai Sdn Bhd	Oil palm plantation	Malaysia	55.47	51.98
Skellerup Industries (Malaysia) Sdn Bhd	Holding company and manufacturing of rubber products	Malaysia	55.47	51.98
Panquest Ventures Limited (BVi)	Management services/ Investment holdings	British Virgin Island	55.47	51.98
QSR Brands Berhad #	Investment holding and provision of management services	Malaysia	32.40	32.17
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	55.47	51.98
Kulim Energy Sdn Bhd	Investment holding	Malaysia	55.47	51.98
Nexsol (Malaysia) Sdn Bhd	Manufacturer of biodiesel	Malaysia	55.47	26.51

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
New Britain Palm Oil Ltd (NBPOL)	Oil palm plantation	Papua New Guinea	28.11	26.34
Guadalcanal Plains Palm Oil Limited	Grow and process oil palm	Solomon Islands	22.49	21.07
New Britain Nominees Limited	Operate as legal entity for New Britain Palm Oil Ltd. share ownership plan	Papua New Guinea	28.11	26.34
Dami Australia Pty Ltd	Research and production of oil palm seeds	Australia	28.11	26.34
New Britain Plantation Services Pte Limited	Sale of germinated oil palm seeds	Singapore	28.11	26.34
Ramu Agri-industries Limited	Oil palm, cultivation of sugar cane and other agriculture produce products	Papua New Guinea	28.11	26.34
New Britain Oils Limited	Refinery	United Kingdom	28.11	26.34
Dumpu Limited	Landholding Guinea	Papua New	28.11	26.34
Kula Palm Oil Limited	Grow and process oil palm Guinea	Papua New	22.48	-
Plantation Contracting Services Limited	Contractual earthworks and roadworks projects	Papua New Guinea	28.11	-
Poliamba Limited	Oil palm cultivation	Papua New Guinea	18.27	-
Pizza Hut Holdings (Malaysia) Sdn Bhd	Investment holding	Malaysia	32.40	32.17
Pizza Hut Restaurants Sdn Bhd	Quick service restaurants	Malaysia	32.40	32.17
QSR Ventures Sdn Bhd	Investment holding	Malaysia	32.40	32.27
Pizza Hut Singapore Pte Ltd	Quick service restaurants	Singapore	32.40	32.17

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
KFC Holdings (Malaysia) Bhd #	Investment holding	Malaysia	16.77	16.16
Tepak Marketing Sdn Bhd	Contract packing	Malaysia	40.31	39.36
Rasamas Batu Caves Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Rasamas Tebrau Sdn Bhd	Restaurants	Malaysia	14.96	14.41
Rasamas Bangi Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Rasamas Larkin Sdn Bhd	Restaurants	Malaysia	16.77	14.35
Rasamas Tmn Universiti Sdn Bhd	Restaurants	Malaysia	14.94	14.40
Ayamas Food Corporation Sdn Bhd	Poultry processing and further processing plant	Malaysia	16.77	16.16
Integrated Poultry Industry Sdn Bhd	Poultry processing plant	Malaysia	16.77	16.16
Kentucky Fried Chicken (Malaysia) Sendirian Berhad	Restaurants	Malaysia	16.77	16.16
KFC (East Malaysia) Sdn Bhd	Investment holding	Malaysia	16.77	16.16
Ayamas Integrated Poultry Industry Sdn Bhd	Breeder and broiler farms, hatchery, feedmill, and investment holding	Malaysia	16.77	16.16
KFC Manufacturing Sdn Bhd	Bakery, trading in consumables, investment holding	Malaysia	16.77	16.16
KFC (Peninsular Malaysia) Sdn Bhd	Restaurants, Commissary, investment holding	Malaysia	16.77	16.16
KFC Restaurant Holdings Sdn Bhd	Investment holding	Malaysia	16.77	16.16

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
KFC (Sabah) Sdn Bhd	Restaurants	Malaysia	15.09	14.54
KFC (Sarawak) Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Ladang Ternakan Putihekar	Breeder farms - (N.S) Sdn Bhd	Malaysia	16.77	16.16
MH Integrated Farm Berhad	Property holding	Malaysia	16.77	16.16
Pintas Tiara Sdn Bhd	Property holding	Malaysia	16.77	16.16
Rasamas Holding Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Region Food Industries Sdn Bhd	Sauce manufacturing plant	Malaysia	16.77	16.16
Signature Chef Dining Services Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Signature Chef Food services and Catering Sdn Bhd	Restaurants	Malaysia	16.77	16.16
SPM Restaurants Sdn Bhd	Meals on wheels, property holding	Malaysia	16.77	16.16
Kentucky Fried Chicken Management Pte Ltd	Restaurants	Singapore	16.77	16.16
KFC (B) Sdn Bhd	Restaurants	Brunei	7.70	7.42
KFC India Holdings Sdn Bhd (formerly known as Orient Palm Sdn Bhd)	Investment holding	Malaysia	16.77	16.16
Mauritius Food Corporation Pvt Ltd	Investment holding	Mauritius	16.77	16.16
Mumbai Chicken Pvt Ltd	Restaurants	India	16.77	16.16
Pune Chicken Restaurants Pvt Ltd	Restaurants	India	16.77	16.16

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
WQSR Holdings (S) Pvt Ltd	Investment holding	Singapore	16.77	16.16
Restoran Keluarga Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Semangat Juara Sdn Bhd	Broiler farm	Malaysia	12.58	12.12
Ayamas Farms & Hatchery Sdn Bhd	Broiler farm	Malaysia	15.09	14.54
Ayamas Feedmill Sdn Bhd	Broiler farm	Malaysia	14.25	13.77
Roaster's Chicken Sdn Bhd	Investment holding	Malaysia	16.77	16.16
Rasamas Sdn Bhd (Brunei Darussalam)	Restaurants	Brunei	7.70	7.42
Kampuchea Food Corporation	Quick service restaurants	Cambodia	17.82	17.69
Restoran Sabang Sdn Bhd	Restaurants	Malaysia	16.77	16.16
Bakers' Street Sdn Bhd	Restaurant	Malaysia	16.77	16.16
Rasamas Subang Sdn Bhd (formerly known as Supreme Delight Sdn Bhd)	Restaurant	Malaysia	15.09	14.54
Seattle's Best Coffee Sdn Bhd	Restaurants	Malaysia	16.77	16.16
KFC Marketing Sdn Bhd	Sales and marketing of food products	Malaysia	16.77	16.16
Rasamas Butterworth Sdn Bhd (formerly known as Heritage Revenue Sdn Bhd)	Restaurant	Malaysia	15.09	14.54
Rasamas Wangsa Maju Sdn Bhd (formerly known as Sensasi Lemon Sdn Bhd)	Restaurant	Malaysia	15.09	14.54

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Akli Resources Sdn Bhd (formerly known as Volgen Industry Program Sdn Bhd)	In-house and external training	Malaysia	52.70	49.38
The Secret of Secret Garden Sdn Bhd (formerly known as Natural Alcohols Sdn Bhd)	Trading and marketing of personal care products	Malaysia	55.47	51.98
WP Properties Holdings Sdn Bhd	Investment holding	Malaysia	16.77	16.16
Asbury's (Malaysia) Sdn Bhd	Property holding	Malaysia	16.77	16.16
Wangsa Progresi Sdn Bhd	Property holding	Malaysia	16.77	16.16
Ayamazz Sdn Bhd (formerly known as Rasa Gourmet Sdn Bhd)	Push-cart selling food and refreshment	Malaysia	16.77	16.16
Usahawan Bistari Ayamas Sdn Bhd (formerly known as Universal Bonus Sdn Bhd)	Ayamas Corner	Malaysia	16.77	16.16
Rasamas Nilai Sdn Bhd (formerly known as Midland Brand Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	15.09	16.16
Rasamas Melaka Sdn Bhd (formerly known as Prisma Circle Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	15.09	16.16
Rasamas Mergong Sdn Bhd (formerly known as Smart Revenue Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	16.77	16.16

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Rasamas Bukit Tinggi Sdn Bhd (formerly known as Premier Option Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	15.09	16.16
Rasamas Endah Parade Sdn Bhd (formerly known as Bima Permata Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	16.77	16.16
Rasamas Kota Bahru Sdn Bhd (formerly known as Dominion Brand Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	15.09	16.16
Kulim Top Plant Sdn Bhd	Production of high-yielding oil palm clones by plant tissue culture technology	Malaysia	31.19	31.93
KFC Events Sdn Bhd	Sales of Food products, Vouchers	Malaysia	16.16	-
Helix Investments Limited	Investment holding	Singapore	55.47	16.16
Sindora Berhad #	Investment holding, operations of palm oil plantations, palm oil milling and rubber estate	Malaysia	43.53	41.59
DORMANT COMPANIES				
Skellerup Latex Products (M) Sdn Bhd	Manufacturing of rubber products	Malaysia	55.47	51.98
Tambola Pty Limited	Dormant	Australia	28.11	26.34
Ph Property Holdings Sdn Bhd	Dormant	Malaysia	32.40	32.27
Multibrand QSR Holdings Pte Ltd	Dormant	Singapore	32.40	32.17

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Pizza Hut Delco Sdn Bhd (formerly known as Signature Chef Holdings Sdn Bhd)	Dormant	Malaysia	32.40	32.17
Sterling Distinction Sdn Bhd	Dormant	Malaysia	32.40	32.17
SBC Coffee Holdings Sdn Bhd	Dormant	Malaysia	32.40	32.27
EPA Futures Sdn Bhd	Dormant	Malaysia	55.47	51.98
Rangeview Sdn Bhd	Dormant	Malaysia	16.77	16.16
Chippendales (M) Sdn Bhd	Dormant	Malaysia	16.77	16.16
Ayamas Contract Farming Sdn Bhd	Dormant	Malaysia	16.77	16.16
Ayamas Franchise Sdn Bhd	Dormant	Malaysia	16.77	16.16
Ayamas Food Corporation (S) Pte Ltd	Dormant	Singapore	16.77	16.16
Hiei Food Industries Sdn Bhd	Dormant	Malaysia	13.58	13.09
Yes Gelato Sdn Bhd	Dormant	Malaysia	13.42	12.93
Ayamas Selatan Sdn Bhd	Dormant	Malaysia	16.77	16.16
Ayamas Marketing (M) Sdn Bhd	Dormant	Malaysia	16.77	16.16
Skellerup Foam Products (Malaysia) Sdn Bhd	Manufacturing of rubber products (Carpet underlay)	Malaysia	55.47	51.98
Cilik Bistari Sdn Bhd (formerly known as Roda Kapital Sdn Bhd)	Dormant	Malaysia	16.77	16.16

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Rasamas Terminal Larkin Sdn Bhd (formerly known as Bold Ocean Sdn Bhd)	Dormant	Malaysia	14.96	16.16
Rasamas BC Sdn Bhd (formerly known as Natural Equity Sdn Bhd)	Dormant	Malaysia	15.09	16.16
B HEALTHCARE				
ACTIVE COMPANIES				
KPJ Healthcare Berhad #	Investment holding	Malaysia	42.55	50.21
Kumpulan Perubatan (Johor) Sdn Bhd	Investment holding and specialist hospital management	Malaysia	42.55	50.21
Johor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Ipoh Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	41.89	49.43
Pusat Pakar Tawakal Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Ampang Puteri Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Damansara Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Puteri Specialist Hospital (Johor) Sdn Bhd	Specialist hospital	Malaysia	32.40	50.21
Kuantan Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	32.99	38.93
Puteri Nursing College Sdn Bhd	Nursing college	Malaysia	42.55	50.21

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
B HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
FP Marketing (S) Pte Ltd	Distributor of pharmaceutical products	Singapore	42.55	50.21
PT Khidmat Perawatan Jasa Medika	Specialist hospital	Indonesia	80.00	80.00
Medical Supplies (Sarawak) Sdn Bhd	Pharmaceutical dealer and outlets	Malaysia	31.91	37.66
Bukit Mertajam Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	42.55	35.15
Pharmaserv Alliances Sdn Bhd	Distributor of pharmaceutical products	Malaysia	42.55	50.21
Kuching Specialist Hospital Sdn Bhd (formerly known as Puteri Healthcare Sdn Bhd)	Specialist hospital	Malaysia	29.79	35.15
Selangor Specialist Hospital Sdn Bhd (formerly known as Selangor Medical Centres Sdn Bhd)	Specialist hospital	Malaysia	25.53	30.13
Hospital Pusrawi SMC Sdn Bhd	Provide all kinds of medical treatment	Malaysia	13.28	15.46
Open Access Sdn Bhd	Pharmacy operator	Malaysia	42.55	50.21
Pharmacare Sdn Bhd	Trading and chain of pharmacy	Malaysia	42.55	50.21
Sentosa Medical Centre Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Kajang Specialist Hospital Sdn Bhd (formerly known as Hospital Sentosa Sdn Bhd)	Specialist hospital	Malaysia	42.55	50.21
Kedah Medical Centre Sdn Bhd	Specialist hospital	Malaysia	19.42	22.92
Hospital Penawar Sdn Bhd	Specialist hospital	Malaysia	12.77	15.06

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
B HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Lablink (M) Sdn Bhd	Lab and pathology services	Malaysia	42.55	50.21
Perdana Specialist Hospital Sdn Bhd (formerly known as Pusat Pakar Darul Naim Sdn Bhd)	Specialist hospital	Malaysia	25.77	30.41
Kota Kinabalu Specialist Hospital Sdn Bhd (formerly known as Damai Specialist Centre Sdn Bhd)	Specialist hospital	Malaysia	41.27	48.70
Seremban Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
PT Khasanah Putera Jakarta Medical	Specialist hospital	Indonesia	31.99	37.66
Tawakal Holdings Sdn Bhd	Investment holdings	Malaysia	42.55	50.21
Taiping Medical Centre Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Diaper Technology Industries Sdn Bhd	Providing IT Services and rental of software	Malaysia	39.89	47.07
Pusat Pakar Kluang Utama Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Pasir Gudang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Pahang Specialist Hospital Sdn Bhd (formerly known as Evolusi Spektra (M) Sdn Bhd)	Specialist hospital	Malaysia	42.55	50.21

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
B HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Point Zone (M) Sdn Bhd	Specialist hospital	Malaysia	42.55	50.21
Bandar Baru Klang Specialist Hospital Sdn Bhd (formerly known as Ipoh Radiotheraphy Sdn Bhd)	Specialist hospital	Malaysia	42.55	50.21
Sterile Services Sdn Bhd (formerly known as Nat Trekker (M) Sdn Bhd)	Sterile services	Malaysia	27.66	32.64
DORMANT COMPANIES				
Maharani Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	50.21	50.21
Malaysian Institute of Healthcare Management Sdn Bhd	Institute of healthcare management	Malaysia	31.91	37.66
Pharmacare Surgical Technologies Sdn Bhd	Manufacturing of surgical thread	Malaysia	42.55	50.20
Renalcare Perubatan (M) Sdn Bhd	Haemodialysis services	Malaysia	42.55	50.21
Renal Link Sentosa Sdn Bhd	Dormant	Malaysia	42.55	50.21
Bayan Baru Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	23.40	27.61
Freewell Sdn Bhd	Ladies sanitary napkin manufacturer	Malaysia	34.04	40.16
KPJ Mediktv Sdn Bhd	Dormant	Malaysia	42.55	50.21
Skop Yakin (M) Sdn Bhd	Dormant	Malaysia	38.30	50.21

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
C PROPERTY DEVELOPMENT				
ACTIVE COMPANIES				
Johor Land Berhad	Property developer	Malaysia	98.82	98.80
Damansara Realty Berhad #	Investment holding	Malaysia	54.24	31.78
Advance Development Sdn Bhd	Property developer	Malaysia	98.82	98.80
Revertex (Malaysia) Sdn Bhd	Processing of rubber and chemical product	Malaysia	29.72	29.71
Dhealthcare Centre Sdn Bhd	Healthcare service provider	Malaysia	76.66	65.21
D TIMBER/INTRAPRENEUR VENTURE				
ACTIVE COMPANIES				
Sindora Timber Sdn Bhd	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	Malaysia	39.18	36.42
EA Technique (M) Sdn Bhd	Provision of sea transportation and related services	Malaysia	22.20	20.64
MM Vitaoils Sdn Bhd	Producer and wholesale of palm oil and other edible oil and fats	Malaysia	15.24	14.16
Pro Office Solutions Sdn Bhd	Bulk mailing services	Malaysia	41.15	40.35
Metro Parking (M) Sdn Bhd	Parking operations and the provision of related consultancy services	Malaysia	47.65	45.35
Metro Equipment Systems (M) Sdn Bhd	Trading of parking and other related equipments	Malaysia	43.52	41.42
Metro Parking (B) Sdn Bhd	Parking operator and other transport related services	Brunei	35.74	34.01

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
D TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Metro Parking (S) Pte Ltd	Parking operator and consultancy services	Singapore	33.35	31.75
Metro Parking (Sabah) Sdn Bhd	Parking operator and other transport related services	Malaysia	47.65	45.35
Metro Parking Management (Philippines) Inc.	Parking operator and other transport related services	Philippines	35.74	34.01
PT Metro Penata Sarana	Parking operator, consultancy services and transport related services	Indonesia	47.65	45.35
Epasa Shipping Agency Sdn Bhd	Shipping and forwarding agent services	Malaysia	32.65	45.35
Smart Parking Management Sdn Bhd	Trading of parking and other related services	Malaysia	33.35	31.75
Granulab (M) Sdn Bhd	Trading granular synthetic bone graft	Malaysia	39.18	36.42
Metro Parking (HK) Ltd	Parking operator and other transport related services	Hong Kong	26.21	45.35
Johor Shipyard and Engineering Sdn Bhd	Ship building, fabrication of steel structures, engineering services and consultancy	Malaysia	22.20	20.64
Metro Parking Services (India) Private Limited	Parking operator and consultancy services	India	47.65	45.35
Orkim Sdn Bhd	Investment holding	Malaysia	15.37	11.81
Orkim Discovery Sdn Bhd	Vessel owning	Malaysia	6.15	4.72
Orkim Marine Sdn Bhd	Vessel owning	Malaysia	15.37	11.81

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
1 CORE BUSINESS (CONTINUED)				
D TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Orkim Reliance Sdn Bhd	Vessel owning	Malaysia	6.15	4.72
Orkim Ship Management Sdn Bhd	Vessel owning	Malaysia	15.37	11.81
Orkim Energy Sdn Bhd	Vessel owning	Malaysia	15.37	11.81
Orkim Challenger Sdn Bhd	Vessel owning	Malaysia	6.15	4.72
Orkim Express Sdn Bhd	Vessel owning	Malaysia	9.22	7.09
Orkim Merit Sdn Bhd	Vessel owning	Malaysia	9.22	7.09
Orkim Leader Sdn Bhd	Vessel owning	Malaysia	9.22	7.09
Delmar Marine Ventures Sdn Bhd	Vessel owning	Malaysia	13.83	10.63
Orkim Power Sdn Bhd	Vessel owning	Malaysia	9.22	7.09
DORMANT COMPANIES				
Sindora Trading Sdn Bhd	Dormant	Malaysia	43.53	41.59
Sindora Timber Products Sdn Bhd	Dormant	Malaysia	43.53	41.59
Sindora Development Sdn Bhd	Dormant	Malaysia	43.53	41.59
Sindora Wood Products Sdn Bhd	Property letting	Malaysia	43.53	40.47

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR				
A SME				
ACTIVE COMPANIES				
JTP Trading Sdn Bhd	Trading of tropical fruits	Malaysia	49.92	51.98
Excellent Relation Sdn Bhd	Provide IT and other related services	Malaysia	100.00	90.00
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	38.30	45.19
Johor Skills Development Centre Sdn Bhd	Industrial training centre	Malaysia	75.00	75.00
Edaran Badang Sdn Bhd	Agricultural machinery assembler and distributor	Malaysia	41.60	38.99
TMR Urusharta (M) Sdn Bhd	Facilities management	Malaysia	97.00	96.80
Teraju Fokus Sdn Bhd	Security services	Malaysia	30.00	30.00
Aquapreneur Sdn Bhd	Breeding of tiger prawns	Malaysia	48.00	48.00

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Healthcare Technical Services Sdn Bhd ~	Project management and engineering maintenance services	Malaysia	50.73	37.31
Teraju Farma Sdn Bhd	Supplier of pharmaceutical products	Malaysia	31.91	37.66
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	93.75	94.00
Maruah Emas Sdn Bhd	Islamic pawnshop	Malaysia	92.59	92.59
Renown Value Sdn Bhd	Business in cultivation of agricultural produce	Malaysia	41.60	46.78
Kulim Civilworks Sdn Bhd	Facilities management	Malaysia	41.60	38.99
SIM Manufacturing Sdn Bhd	Manufacturers and dealers in rubber products of all kinds and articles made from rubber	Malaysia	49.92	46.78
General Access Sdn Bhd	Field clearing, earthwork, road construction and resurfacing	Malaysia	32.56	32.78
Pro Biz Solution Sdn Bhd	Business centre	Malaysia	85.00	85.00
Cita Tani Sdn Bhd ^	Cultivation of sugar cane and other agriculture produce	Malaysia	49.97	46.78
Kulim Livestock Sdn Bhd	Breeding and sales of cattle	Malaysia	49.92	46.78
Kulim Nursery Sdn Bhd	Oil palm nursery and other related services	Malaysia	41.60	46.78
JTP Montel Sdn Bhd	Cultivation of bananas	Malaysia	37.44	46.78
Superior Habour Sdn Bhd	Aquaculture operations for food consumption	Malaysia	43.27	46.78

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Special Appearance Sdn Bhd	Film and drama production house, event management and other related services	Malaysia	49.92	46.78
Agrotech Farm Solutions Sdn Bhd	Broiler farm	Malaysia	100.00	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	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	87.63	97.63
Penawar Express Line Berhad	Express bus services	Malaysia	87.63	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

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
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
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

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Pro-office Services Sdn Bhd	Renting of machinery and building	Malaysia	100.00	100.00
Exquisite Livestock Sdn Bhd ^	Commercial cattle farming	Malaysia	49.92	95.00
Rajaudang Trading Sdn Bhd	Wholesale activities	Malaysia	71.25	71.25
Tg. Langsat Development Sdn Bhd	Industrial land development	Malaysia	100.00	100.00
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
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	Investment holding, ownership of buildings	Malaysia	100.00	100.00
Bertam Properties Sdn Bhd	Estate management	Malaysia	20.00	20.00
Union Industries Sdn Bhd	Manufacturing of window frames and wheel barrows	Malaysia	23.09	23.09
MC-JTP Concept Sdn Bhd	Rental and warehouse owner	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
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	87.30
TMR ACMV Services Sdn Bhd	Maintenance of commercial air-conditioning and mechanical and ventilation services	Malaysia	97.00	96.80
East Johor Marine Farms Sdn Bhd	Rental of ponds for tiger prawns breeding	Malaysia	100.00	100.00
Johor Logistics Sdn Bhd	Warehousing	Malaysia	100.00	100.00
Asia Logistic Council Sdn Bhd	GHELS & GCEL systems for Asia Pacific Region	Malaysia	74.00	100.00
Amazing Cuisine Sdn Bhd ^	Cold-cuts and sausages production	Malaysia	90.00	100.00
Ventures Poultry Farm Sdn Bhd	Poultry broiler farm	Malaysia	90.00	90.00
Synergy Poultry Farming Sdn Bhd	Poultry broiler farm	Malaysia	84.75	85.00
Southern Poultry Farming Sdn Bhd	Poultry broiler farm	Malaysia	90.00	90.00
JCIA Services Sdn Bhd	Corporate assurance and 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	Producing, promoting and marketing Catur Bistari and services related	Malaysia	75.00	90.00

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
DORMANT COMPANIES				
Johor City Development Sdn Bhd	New township development	Malaysia	100.00	100.00
JSEDC Properties Sdn Bhd	Investment holding	Malaysia	100.00	100.00
DPIM Consult Sdn Bhd	Management consultant	Malaysia	100.00	100.00
Johor Heavy Industries Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Jejak Juara Sdn Bhd	Rubber plantation	Malaysia	100.00	100.00
PJB Capital Sdn Bhd	Portfolio management	Malaysia	100.00	100.00
Langsat Marine Base Sdn Bhd (formerly known as Trilink Multiple Sdn Bhd)	Provision of marine base engineering services	Malaysia	100.00	60.00
Johor Tea Sdn Bhd	Tea plantation	Malaysia	100.00	100.00
Vision Possible Berhad ^	Investment holding	Malaysia	100.00	100.00
Johor Tropical Products Sdn Bhd	Investment holding	Malaysia	100.00	100.00
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
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

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
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
T.T. Nusa Sdn Bhd ^	Holding company	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
Malaysia Pharmacy (Retail) Sdn Bhd ^	Distributor and marketing of pharmaceutical products	Malaysia	100.00	100.00
Johor Concrete Products Sdn Bhd	Trading in construction material	Malaysia	51.00	51.00
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

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
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
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	Ceased operation	Singapore	100.00	100.00
Orion Tours Pte Ltd	Ceased operation	Singapore	100.00	100.00
Tropika Landskap Sdn Bhd	Property developer	Malaysia	100.00	100.00
Johorcraft Sdn Bhd	Ceramic production and handicraft marketing	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
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	100.00	96.78
Quality Heights Sdn Bhd ^	Distributor and marketing of pharmaceutical	Malaysia	100.00	100.00
Paper Automation Sdn Bhd	Trading in paper products	Malaysia	93.57	93.57
Kilang Airbatu Perintis Sdn Bhd	Rental of land and coldroom services	Malaysia	88.22	88.22
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 manufacturer of steel products	Malaysia	81.74	81.74
COMPANIES IN WINDING UP PROCESS				
Johor Aluminium Processing Sdn Bhd	Aluminium products	Malaysia	35.00	35.00
Asia Pacific Seafoods Pte Ltd !	Marketing of seafood products	Singapore	100.00	100.00

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
2 INTRAPRENEUR (CONTINUED)				
B NON SME (CONTINUED)				
COMPANIES IN WINDING UP PROCESS (CONTINUED)				
Buat Niaga Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Australian Gold Field NL	Dormant	Australia	27.73	27.73
Victoria Gold Mines	Dormant	Australia	27.73	27.73
COMPANIES 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
3 LIST OF NON-GOVERNMENT ORGANIZATIONS				
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	*	*
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	@	@

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activites	Country of Incorporation	Group Effective Interest Dec 2010 %	Group Effective Interest Dec 2009 %
3 LIST OF NON-GOVERNMENT ORGANIZATIONS (CONTINUED)				
Incorporated under Companies Act, 1965, managed by Johor Corporation (continued)				
DORMANT COMPANIES				
Waqaf An-Nur Berhad	Dormant	Malaysia	@	@

#	Listed on the Main Board of Bursa Malaysia Securities Berhad
@	Limited by Guarantee
!	Qualified opinion - going concern
^	Emphasis of Matter on Going Concern Basis on preparation of Financial Statements
*	Subsidiaries of Waqaf An-Nur Corporation Berhad
~	Liquidated during the current year